

## CHAPTER 8 TRANSPORTATION ENHANCEMENT ACTIVITIES (TEA)

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## CHAPTER 8 TRANSPORTATION ENHANCEMENT ACTIVITIES (TEA)

### 8.1 INTRODUCTION

The Transportation Enhancement Activities (TEA) program is a reimbursable Federal-aid program. It is similar to other local Federal programs, in that:

- Applicants must be public agencies.
- Projects arise from the Regional Transportation Improvement Programs (RTIP) and they must be approved in the Federal Statewide Transportation Improvement Program (FSTIP) prior to incurring reimbursable costs
- Projects must comply with Federal environmental requirements and other Federal regulations.
- As Federal-aid projects, TEA projects must comply with the Federal-aid project procedures as outlined in the *Local Assistance Procedures Manual*

What makes TEA unique is:

- Ten unique categories of eligible activities.
- The application process.
- Requirement for a non-Title 23 dollar match.
- Individual programming of projects in the State Transportation Improvement Program (STIP).
- Minimum project size of \$50,000 in Federal funds.

See the section titled “About These Guidelines” in Exhibit 8-A, “TEA Guidelines” for additional program information. The Guidelines are arranged to take applicants and Regional Transportation Planning Agencies through the program from background and overview to application for funds.

### 8.2 CHANGES TO GUIDELINES

The Reengineering of the TEA Program, and other Caltrans Local Assistance programs was first conceived cooperatively with representatives of California cities and counties in a series of meetings conducted between November 1994 and March 1995. The primary purpose of reengineering was to reduce the amount of paperwork and effort required by Caltrans and local agencies to process Federal-aid projects. Unfortunately, most of the procedural steps and much of the paperwork involved in processing Federal-aid projects are mandated by Federal law and can not be eliminated without an Act of Congress. With the cooperation of the FHWA, however, some of the processes have been simplified and many of the reviews eliminated.

The reengineering of the Caltrans Local Assistance Program occurred simultaneously with a nationwide movement to reduce the size of government. The 1995/96 State Budget required a 50% statewide staff reduction of Caltrans Local Assistance Program necessitating a new approach to the way Caltrans Local Assistance Offices conducts business.

Caltrans Local Assistance Offices have limited involvement in the delivery of the local Federal-aid funded projects. As a result of the 50 percent staff reduction, and recommendation from the reengineering task force, it was decided that Caltrans will no longer conduct routine reviews of local agency projects (including reports, PS&E and on-site inspections). The responsibility of complying with Federal regulations has been shifted to the local agencies through a self-certification process.

“The TEA Guidelines”, Exhibit 8-A, have been revised to reflect the changes brought about by Reengineering of the Local Assistance program. Section A and B of the TEA Guidelines required minor modifications and Section D was completely rewritten to reflect the changes, as noted in Exhibit 8-B. Anyone having a copy of the TEA Guidelines, or planning on using the TEA Guidelines in Exhibit 8-A, should make the modification noted in Exhibit 8-B.

### **8.3 FUTURE CYCLES OF THE TEA PROGRAM**

Future cycles of TEA depend on ISTEA reauthorization of the program in the Intermodal Surface Transportation Efficiency Act of 1991. If reauthorized, the next deadline for submittal would be in 1997, for programming in the 1998 State Transportation Improvement Program (STIP). Applicants may request placement on the TEA application mailing list by calling Marsha B. Mason, TEA Program Manager, at 916-654-5275.

# **Guidelines Transportation Enhancement Activities Program**

## **California Department of Transportation**

Adopted by the California Transportation Commission  
Adopted February 1993 • revised June 1995



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# Section A

## PROGRAM BACKGROUND

### About These Guidelines

These guidelines are intended to assist agencies that will implement projects to apply for transportation enhancement activities funds. The guidelines explain how enhancement activities are nominated, selected, funded, and administered. Although this is not a grant process, it is a two-stage competitive process for Federal-aid funds. For most projects, selection decisions will occur at the regional level and funding decisions at the State level. (Only statewide projects are both selected and funded at the State level.) Projects in the final adopted program will be funded on a reimbursement basis.

#### **Key points for applicants to know are:**

- **This is a reimbursable program, not a grant;**
- **A local funding share is required in each phase of the project;**
- **Organizations must nominate projects, in partnership, through a public agency that is willing and able to take responsibility for carrying out and maintaining the project;**
- **Improvements to private property and commercial facilities are not eligible;**
- **Projects must comply with Federal environmental requirements; and**
- **Projects must comply with other Federal regulations, including those for considering disadvantaged business enterprises in consultant selection and for paying prevailing wages during construction.**
- **Suggested minimum project size is \$100,000 in Federal funds, making the minimum overall project cost approximately \$114,000 (\$125,000 for a bicycle or pedestrian project), but regional agencies, Caltrans and the Commission will consider projects of unusual merit in the \$50,000 - \$100,000 range.**

Technical terms and abbreviations used in the text are defined in the DEFINITION OF TERMS at the end of these guidelines and are underlined where they first appear in the text. Section B includes a detailed discussion of project eligibility. The names of contacts in the Regional Transportation Planning Agencies and Caltrans Districts are included in the Appendix.

## About the Program

California may receive more than \$200 million over a 6 year period (which started with the 1992 Federal fiscal year) for transportation enhancement activities from the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). This represents a 10 percent set-aside of one of the ISTEA programs, the Surface Transportation Program funds. This money is available only for transportation enhancement activities.

Administering agencies (those receiving Federal-aid funds for transportation enhancement activities) have found it to be in their best interest to be aware of the procedures and requirements for developing Federal-aid projects. These are *substantially more involved in time and money* than the requirements for claiming State funds. Agencies unfamiliar with the requirements of Title 23, United States Code are encouraged to obtain and review copies of Caltrans' Local Streets and Roads booklets, which are summaries of detailed processes in the Local Programs Manual, a 3-volume set:

- Process Guide: Procedures for Developing Federal-Aid Highway Projects on Local Streets and Roads,
- Environmental Analysis: Procedures for Developing Local Federal-Aid Highway Projects,
- Right of Way: Procedures for Developing Local Federal-Aid Highway Projects, and
- Consultant Selection: Procedures for Selecting Consultants for Federal-Aid Highway Projects on Local Streets and Roads.

A new Local Programs Manual will be published in summer 1995. It will be important for administering agencies to become familiar with implementation changes contained in it. The booklets, for a nominal fee, and Manual, for a more expensive fee, can be obtained from:

PUBLICATIONS UNIT  
1900 Royal Oaks Drive  
SACRAMENTO CALIFORNIA 95815.

Also, the Manual, the Federal Highway Administration's Draft Cross-Cutting Federal Requirements August 1994, these guidelines and the application forms will be available electronically through the Internet at the Caltrans Home Page ([www.dot.ca.gov](http://www.dot.ca.gov)) in August 1995.

## Vision

The National Policy in ISTEA discusses creation of a national intermodal transportation system that "...must be the centerpiece of a national investment commitment to create the new wealth of the Nation for the 21st century." It defines this system as "all forms of transportation in a unified, interconnected manner..." ISTEA reflects a growing recognition that transportation programs, while vital for national mobility and international competitiveness, must also include consideration of the overall environmental context and community values and setting. The intent of the Federal enhancements program is for transportation enhancements to become a common part of transportation investment policy, integrated into many projects.

Transportation enhancement funds are to be used for transportation-related projects that enhance quality-of-life, in or around transportation facilities. *Projects must be over and above required mitigation and normal transportation projects, and the project must be directly related to the transportation system.* The program should have a quality-of-life benefit while providing the greatest benefit to the greatest number of people.

Transportation enhancement activities are a means of more creatively and sensitively integrating transportation facilities into their surrounding communities. What distinguishes transportation enhancement activities from other worthwhile “quality-of-life” and environmental activities is their potential to create a transportation experience that is more than merely adequate. At the same time they may protect the environment and provide a more aesthetic, pleasant and improved interface between the transportation system for the communities and people adjacent to transportation facilities. Doing this will require expanded partnerships on all levels.

### **Responsible Governmental Agencies and Their Roles**

#### **Federal Highway Administration**

The Federal Highway Administration has responsibility for approving the Federal State Transportation Improvement Program, for approving Federal environmental documents, for allocating funds to the State, and for approving and authorizing transportation enhancement activities expenditures.

#### **California Transportation Commission (Commission)**

The Commission has responsibility for the Fund Estimate (a special document), programming decisions, and funding eligible transportation enhancement activities. The Commission defines the size of the program through the Fund Estimate. The Commission must select which projects will be funded from among activities recommended by Regional Transportation Planning Agencies and the California Department of Transportation. The Commission programs these projects into the State Transportation Improvement Program. The Commission also ensures that proper environmental documentation has been approved prior to funding the right of way and/or construction phases of a transportation enhancement activities project. (See Allocation of Funds for Capital Outlay – The Second Vote on page D-6 for a discussion of phases.)

### ***California Department of Transportation (Caltrans)***

The California Department of Transportation (Caltrans) has primary responsibility for the administration of this program, including development of policies and procedures, and monitoring program implementation. Caltrans has responsibility for making eligibility determinations in cooperation with the Federal Highway Administration. Caltrans, utilizing a selection committee of Caltrans and other State and Federal agency representatives, screens and scores activities of a statewide nature (defined on page B-11), based on the statewide screening and ranking criteria, and recommends a prioritized list of such transportation enhancement activities in the Proposed State Transportation Improvement Program (PSTIP). The Department comments from a policy standpoint on specific activities to help the Commission determine which activities will be funded, develops contracts for activities on its rights-of-way, and certifies completion. Caltrans is responsible for submitting invoices for eligible costs to the Federal Highway Administration. Caltrans has responsibility delegated to it by the Federal Highway Administration to see that requirements under Title 23 are met and has responsibility for final acceptance of the projects. Caltrans sponsors enhancement activities and nominates them to the appropriate Regional Transportation Planning Agency.

### ***Regional Transportation Planning Agencies (RTPAs)***

The Regional Transportation Planning Agencies (RTPAs), including Metropolitan Planning Organizations and local transportation planning agencies, have responsibility for selecting activities within their jurisdiction, based on statewide screening and ranking criteria. RTPAs recommend their prioritized lists of eligible transportation enhancement activities to the Commission in their Regional Transportation Improvement Programs (RTIPs). In addition, RTPAs may provide comments to Caltrans and the Commission on portions of statewide projects located within their jurisdiction. The RTPA with authority for activity screening and ranking shall be the same agency established for other ISTEA funds in Senate Bill 1435. RTPAs comment on specific activities, with regard to their priorities, to help the Commission determine which activities will be funded. The RTPAs have responsibility to ensure adequate public participation in the entire regional process.

### ***Metropolitan Planning Organizations***

The Metropolitan Planning Organizations approve all statewide projects (see page B-11) within their jurisdiction prior to programming in the State Transportation Improvement Program (STIP). After programming in the STIP, they vote both regional and statewide projects into their Federal Transportation Improvement Program prior to Federal approval.

### ***Public Agency Applicants***

Public agency applicants nominate transportation enhancement activities to the appropriate RTPAs. Applicants submit activities of a statewide nature to Caltrans, with copies to affected RTPAs and counties.

***State Resources Agency***

The Resources Agency is involved in three ways:

- it may nominate transportation enhancement activities to the appropriate RTPAs;
- any department of the Resources Agency may submit applications for activities of a statewide nature (defined on page B-11) to Caltrans, with copies to affected RTPAs and counties.
- After projects that have come from the regional process are nominated to the Commission, the Resources Agency, as an umbrella agency, may identify and recommend nominated projects of statewide importance or projects contained in State development plans.

***State Office of Historic Preservation***

The State Office of Historic Preservation has responsibility for the administration of the historic preservation program in California. It assists the RTPAs and Caltrans in the evaluation of historical, cultural, and archeological properties and in the review of construction documents for historical properties. The Federal Highway Administration and Caltrans coordinate with the Office of Historic Preservation to ensure full compliance with Section 106 of the National Historic Preservation Act, as amended, (Public Law 102-575) and with the Governor's Executive Order W-26-92.

***State Historical Building Safety Board (SHBSB)***

The State Historical Building Safety Board determines applicability of the State Historic Building Code and the California Uniform Building Code to historic properties.

***Who May Nominate Projects (Administering Agencies)***

Projects may be nominated to the RTPAs for inclusion in the Regional Transportation Improvement Program (RTIP) *by the agency that will be administering the project and taking responsibility for maintaining it*. This may include Caltrans, the RTPAs, and other Federal, State, and local public agencies, i.e. Regents of the University of California, a county, city, city and county, special district, public authority, transit operator, transportation commission, county transportation authority or joint powers authority. A joint powers authority *must* be able to commit the resources of the member agencies. In addition, the administering agency must be capable of entering into a master agreement with Caltrans (see page D-1).

Administering agencies have contractual responsibility for carrying out to completion the enhancement project in accordance with Federal, State, and local laws and regulations.

Administering agencies often have partners in bringing forward enhancement projects. These partners may be non-profit organizations that have originated the project ideas and may wish to be a part of implementation. Others may be public agencies that are too small to meet the requirements of obtaining a master agreement with Caltrans. Others may be partners in funding only. No matter if partners are involved, the administering agency is the *one entity* responsible for implementing the project and maintaining it for the life of the project. (See page D-1.)

***Public Participation***

Interested parties and proponents of transportation enhancement activities are invited to submit project ideas for application through their local public agencies to their respective RTPAs. A list of RTPAs is included in the Appendix.

Public comment is invited prior to adoption of the Regional Transportation Improvement Programs and the State Transportation Improvement Program.

Each RTPA has a citizen participation program which provides citizens and interested parties a reasonable opportunity to comment on the Regional Transportation Plan prior to its adoption. In addition, RTPAs receiving a large number of applications are encouraged to utilize the technical expertise of interested, non-applicant citizens to score applications. For example, the San Francisco Bay area's RTPA utilizes volunteer experts in historic preservation, trails, and other areas to score project applications.

Opportunities for public comment may occur as a part of the environmental processes included in the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA), and other State and Federal environmental regulations.

A Transportation Enhancement Activities Advisory Council to Caltrans was established in July 1993 to be an ongoing vehicle of public participation in program implementation. It is selected by the Director of Caltrans to identify issues and communicate program changes to their respective agencies or organizations. See Appendix, Transportation Enhancement Activities Advisory Council.

### **1996 STIP Cycle**

Transportation enhancement activities funds are programmed every two years in the State Transportation Improvement Program (STIP) cycle. The 1994 STIP programmed enhancement projects through fiscal year 1996/97.

This is the third cycle of programming enhancement projects. In the 1996 STIP, one additional year of projects will be programmed in the first year of the STIP period (1996/97). Statewide transportation funding shortfalls may delay reimbursement of Federal funds to as late as 1999-2000.

The 1996 STIP will include transportation enhancement projects funded out of Federal fiscal years 1996 and 1997, the final years appropriated in ISTEA of 1991. A total of \$50 million will be available to program enhancements in this cycle.

**Timeline for 1996 STIP Cycle**

September 13, 1995	<u>Pre-Application Meeting:</u> Administering agency applicants discuss application with Caltrans District technical staff on or before this date. Applicants for statewide projects discuss with Caltrans Headquarters Office of Local Programs staff.
October 13, 1995	<u>Application Deadline:</u> Administering agencies submit applications to RTPAs for the 1996 State Transportation Improvement Program cycle. Date may vary; contact RTPA for its deadline.
November 3, 1995 Oct. 13 through Dec. 29, 1995	Administering agencies submit statewide project applications to Caltrans.  RTPAs evaluate and rank applications.
January 1, 1996 through March 1996	Caltrans' Statewide project selection committee evaluates and ranks statewide project applications. Caltrans with FHWA evaluates all projects for eligibility.
January 10, 1996	RTPAs send projects of questionable eligibility to Caltrans.
March 15, 1996	RTPAs amend Regional Transportation Improvement Programs for 1996 State Transportation Improvement Program to submit enhancement projects to the Commission.
June 1996	<u>Commission Meeting:</u> Commission staff presents recommendations.
July 1996	<u>Commission Meeting:</u> Commission adopts Transportation Enhancement Activities program as part of the 1996 State Transportation Improvement Program (STIP).
June through December 1996	<u>Federal Transportation Improvement Program (FTIP):</u> Caltrans includes projects in FTIPs and sends for Federal approval. Administering agencies may only incur eligible costs <i>after</i> Federal approval.
July 1997 or July 1998	Funding <i>could</i> become available (see page C-1).



## Section B

# ELIGIBILITY

### *Program Eligibility*

*Does the project fit the program?* This question can be answered "yes" only after three questions are answered affirmatively. Transportation enhancement activities must meet three basic criteria, based on instruction from the Federal Highway Administration:

***“What is the direct relationship to the intermodal transportation system?”***

Projects must have at least one direct relationship to the intermodal transportation system, which consists of all forms of transportation in a unified, interconnected manner. This relationship may be one of function, proximity, or impact. For example:

- A bikeway is a *functional* component of the intermodal transportation system.
- Removal of outdoor advertising in the viewshed of a highway is justified in light of its *proximity*. (Proximity can be confusing because any project appears eligible by virtue of being near a roadway, however, there will be no tenuous or contrived relationships. When the relationship is by proximity, how does the activity significantly enhance the transportation experience?)
- Water pollution control alongside an existing highway to protect or improve a drinking water supply would qualify based on the *impact* of the highway in terms of water pollution.

***“Is this over and above a normal project?”***

Enhancement activities are over and above normal transportation projects. Typically, a normal transportation project may include mitigation, standard landscaping, other permit requirements and provisions negotiated as a condition of obtaining a permit for a normal [non-enhancement] transportation project. If this proposal is an enhancement to a larger project, check the environmental document for these items – Is the proposed enhancement part of the project description? Is it listed as mitigation? If

so, the activity is not “over and above” a normal project. Is it a permit requirement? Permitting agencies might include Federal agencies such as U.S. Forest Service, Bureau of Land Management, or U.S. Corps of Engineers. State permitting agencies might include State Department of Fish and Game. Regional permitting agencies might include a regional water quality control board. Maintenance activities are not eligible. Projects to retrofit existing sidewalks for compliance with Americans with Disabilities Act requirements are not eligible.

***“Which category or categories encompass the transportation enhancement activities?”***

Projects must be selected from one or more of the ten activities categories. Only those activities listed in ISTEA Section 1007 (c) are eligible to be accounted for as transportation enhancement activities. If project eligibility in these ten categories is not clear, the applicant will provide reasoning for including it, and a determination will be made by the RTPA, Commission, Caltrans, and Federal Highway Administration.

The ten categories are:

- 1. Provision of facilities for pedestrians and bicycles.**
- 2. Acquisition of scenic easements and scenic or historic sites.**
- 3. Scenic or historic highway programs.**
- 4. Landscaping and other scenic beautification.**
- 5. Historic preservation.**
- 6. Rehabilitation and operation of historic transportation buildings, structures or facilities (including historic railroad facilities and canals).**
- 7. Preservation of abandoned railway corridors (including the conversion and use thereof for pedestrian or bicycle trails).**
- 8. Control and removal of outdoor advertising.**
- 9. Archaeological planning and research.**
- 10. Mitigation of water pollution due to highway runoff.**

Eligibility of projects has been interpreted broadly by Caltrans and the Federal Highway Administration. The following discussion presents the thinking behind decisions to define eligibility of the ten categories.

**Ten Eligible Transportation Enhancement Activities Categories****1. Provision of facilities for pedestrians and bicycles.**

This category provides an opportunity to create linkages in the existing transportation system by funding bicycle and pedestrian modes of travel. The bicycle and pedestrian modes connect people to activity centers, such as businesses, schools, shopping and recreation areas, and to other modes.

Projects accommodate bicyclists or pedestrians beyond or in addition to what is necessary for safe accommodation. This includes activities that enhance the transportation system through more aesthetic routing or design or improving other existing facilities to make them more usable for pedestrians and bicyclists, such as adding bicycle parking at a rail station. The purpose of the project must be for transportation but if a recreation experience is gained as a result of the transportation facility, this does not exclude the activity from consideration under this program.

Activities are not eligible where they are conducted as an incidental and routine part of new transportation projects in order to accommodate routine use by pedestrians and bicycles. Paved shoulders, wide curb lanes, sidewalks, and curb cuts are not eligible if incidental and routine to road construction or reconstruction; however, Class II bicycle lanes are eligible. Projects may not be for maintenance activities or other replacement facilities; for example, pavement overlays on the same alignment and same width are not eligible.

While all projects must meet the Americans with Disabilities Act (ADA) mandate of accessibility, projects to retrofit existing facilities solely for conformance to accessibility standards in the California Building Code do not qualify. Construction of neighborhood sidewalks is regarded as normal work.

Projects for parking lots for *future* bicycle or pedestrian facilities are not eligible.

Questions about standards for bikeway designs or for bicycle facilities such as lockers and parking facilities can be addressed by the Caltrans Bicycle Coordinator at (916) 653-0036. Bikeway Planning and Design (Section 1000 of the Highway Design Manual) is available from the Caltrans Publications Unit, 1900 Royal Oaks Drive, Sacramento, CA, 95815.

***Example of Projects:*** Bicycle lockers at rail stations, bus depots, airports, recreation facilities. Bicycle lockers over and above standard policy at park and ride lots. Bikeways: Class I (bike paths); Class II (bike lanes); Class III (bike routes). Bikeways or pedestrian paths which separate these modes of travel from the motorized transportation system. Bike racks on transit systems. Acquisition, development, and construction of separate pedestrian or bicycle facilities on or off road rights-of-way or in relation to transit facilities are examples of eligible activity, as are improvements to facilities which go beyond basic access and mobility.

**2. *Acquisition of scenic easements and scenic or historic sites.***

This category may be applied to purchase, donation, transfer, or trade of lands which possess significant aesthetic, historic, natural, visual, or open space values, acquisition of which enhances the transportation experience as part of the transportation system, or as a significant part of the transportation viewshed.

Funds may be used for transaction costs including appraisals, surveys, legal costs, or purchase costs. Acquisition of scenic or historic sites includes expenditure of funds for the purchase or the use of funds to accept the donation, transfer, or trade of (a) less than fee interests, for example, easements, in land which possess significant scenic, historic, or cultural values and (b) fee title acquisition of such lands and any property listed in the California Register of Historic Resources or eligible for listing in the National Register of Historic Places.

Land acquired for its scenic qualities must be maintained for its scenic qualities. Mechanisms must be in place to enforce significant scenic or historic values, and the project sponsor must agree to enforce mechanisms to preserve them. The owner of any property acquired must be willing to participate in a preservation covenant attached to the deed of the property. Such a covenant ensures that future work on the property will respect the scenic or historic integrity of the property.

Lands acquired for scenic purposes may not be developed in a manner that degrades the scenic character and quality of the site. Public access is allowed.

The purpose of the project must be for scenic or historic acquisition, but if a wildlife habitat or corridor is gained as a result of the acquisition, this does not exclude the activity from consideration under this program.

Scenic acquisition of a degraded area may be eligible on condition that the agency restores the site to scenic status within this or a later project phase. (Restoration does not have to be done using Federal enhancement funds.)

Where proposed projects appear to be primarily park improvements with incidental transportation enhancement activities incorporated into the park improvement project, the transportation enhancement will be eligible, but not the park improvement.

***Example of Projects:*** Acquisition of Big Sur Viewsheds. San Pedro Point Viewshed. Acquisition of a historic bridge, historic transportation terminal, land around a historic site adjacent to a scenic highway. Acquisition of historic properties which qualify for protection under the National Register or California Register or are designated in a local register.

### 3. *Scenic or historic highway programs.*

This category covers protection and enhancement of designated State scenic highways or federally designated scenic byways and State or federally eligible or designated historic highways. Funds may be used only for activities that will protect and enhance the scenic and historic integrity and visitor appreciation of an existing highway and adjacent area.

**Example of Projects:** Historic Pasadena Freeway, historic bridge signing, interpretive plaques or restoration of historic lighting standards, historic Old Highway 50, historic Feather River Highway and historic Euclid Avenue. Historic aesthetic treatment on retaining walls and guardrails. Visually sensitive bridge rails (guard rails on bridges) which meet Caltrans and FHWA safety requirements, for use on scenic highways and in areas of high visual sensitivity.

### 4. *Landscaping and other scenic beautification.*

This category includes landscape planning, design and construction activities which enhance the aesthetic or ecological resources along transportation corridors, points of access, and lands qualifying for other categories of transportation enhancement activities.

Architectural treatment, applied or integrated, of transportation structures, including bridges and highways beyond Caltrans' utilitarian design may be considered an enhancement activity, as long as it is beyond mitigation required to comply with CEQA, NEPA, and other permitting agencies' requirements. The primary purpose must be to enhance the scenic view.

Projects which blend the transportation system into the surroundings, making the system less intrusive, or otherwise enhance the aesthetic resources or beauty of the transportation system may include planning, design and construction of scenic vistas and overlooks, restoration of historic landscapes, and public art and design enhancements. Projects which enhance the ecological balance along a transportation corridor include planning, testing and planting for restoration or reintroduction of native plant communities and appropriate adaptive species, and the provision of interpretive information about the Federal and State agency programs through which ecological resources are preserved.

Projects on the National Highway System must be consistent with Caltrans' overall landscape program and policies, and will be approved by the Caltrans District Landscape Architect.

Projects may not be for temporary, routine, incidental or maintenance activities such as grass cutting, tree pruning or removal, erosion control, screen planting, construction of noise barriers, drainage improvement or post-construction finish work such as replanting and reseeding.

Plantings on the State Highway System may only be for that portion which is over and above Caltrans' policy no. 3.5.1, dated July, 1990, for standard planting in warranted areas.

Projects mainly for museum facility or park development work are not eligible, although park development elements that are necessary for and incidental to the eligible transportation enhancement activity, such as interpretation elements, may be considered eligible.

Graffiti-resistant coatings do not qualify as scenic beautification because they do not change the appearance of the surface, they must be reapplied at least every three to five years (a maintenance activity) and they do not preclude the re-application of graffiti.

**Example of Projects:** 'Gateway' plantings to communities. Retrofitting existing noise barriers (built before May 22, 1992, when it became standard practice) with landscaping. Rockwork in existing landscaping. Replacement of a utilitarian bridge with one of appropriate architectural qualities in a setting which calls for more than a utilitarian design. Landscaping transplants to move trees outside of clear zones and into more attractive, safer locations. Sculpture or other artwork at gateway entrance to communities or in California "Main Street" projects. Roadside Ecological Viewing Areas. Design and installation of visually sensitive bridge rails (guard rails on bridges), which meet Caltrans and FHWA safety requirements.

#### 5. ***Historic preservation.***

Historic, cultural properties, and archaeological resources determined eligible for or listed in the California Register of Historical Resources or a locally-designated resource, if the local designation is based on locally-adopted, written criteria, are eligible for transportation enhancement activity funding. Section 5024.1 of the California Public Resources Code defines the California Register as an authoritative guide in California to be used by State and local agencies, private groups, and citizens to identify the State's historical resources. The California Register includes properties determined eligible for or listed on the National Register of Historic Places, most California State Historical Landmarks, and State Points of Historical Interest. In addition, the California Register may include locally designated historic and prehistoric resources as well as local survey inventories using the National Register standards.

This category includes acquisition, protection, rehabilitation, interpretation, restoration, and stabilization or any combination of the foregoing, of any prehistoric or historic district, site, building, structure, landscape, or object (and artifacts and records related to it) listed or eligible for inclusion in the California Register or the National Register of Historic Places.

All work must be done in compliance with the Secretary of the Interior's Standards and Guidelines for Archeology and Historic Preservation, the Secretary of the Interior's Standards for Treatment of Historic Properties, or the State Historic Building Code and must be managed under the direction of professionals meeting the standards published in the Code of Federal Regulations, 36 CFR, Part 61. The qualifications define minimum education and experience required to perform eligible historic preservation activities. In some cases, additional areas or levels of expertise may be needed depending on the complexity of the task and the nature of the historic properties involved.

A substantial transportation linkage is required for a project to be considered eligible.

Projects should enhance the transportation system by improving the ability of the public to appreciate the historic significance of the project itself or the area to be served by the project.

In some circumstances, the cultural and sacred values of Native American or other ethnic community sites may require the inclusion of additional viewpoints. Proposals referring to such sites must be accompanied by evidence that appropriate Native American and ethnic community representatives have been consulted.

Incidental Americans with Disabilities Act (ADA) compliance elements are eligible only as required by the transportation enhancement project.

This category does not include reconstruction, i.e., building replicas of historic structures or buildings. It does not include the creation of museums, or of visitor centers; however, restoration of a building that will later be modified and used as a public museum is eligible. Maintenance activities are not eligible.

A preservation project arising from the deferring of maintenance – which was to have been done as a condition of a previous agreement for its preservation – will not be eligible.

Tenant improvements are not eligible costs.

***Example of Projects:*** Stabilizing Chitactac Native American Village site and interpreting it to travelers and tourists. Restoration and interpretation along the Baja/Alta California Mission Period Heritage Corridor. Rehabilitation of historic buildings that serve the transportation system as multi-modal centers. Interpretation of placer mining at Alpha Omega Rest Area on Highway 20 and at Gold Run Rest Area on Highway 80. Restoration of historic maritime resources such as lighthouses. Restoration of a historic landscape on a highway. Rehabilitation of historic places, activities that encourage or facilitate historic interpretation for the public of sites associated with roads and other transportation facilities, heritage tourism, preservation or improvement of the appearance or quality of a historic property, district, or landscape, assistance in providing research and educational opportunities or related services on individual or related historical resources.

**6. *Rehabilitation of historic transportation buildings, structures or facilities (including historic railroad facilities and canals).***

Historic transportation buildings are buildings or related structures associated with the operation, passenger and freight use, construction or maintenance of any mode of transportation where such building is listed or eligible for listing in the California Register or the National Register of Historic Places.

Structures and facilities include tunnels, bridges, trestles, embankments, rails or other guideway, non-operational vehicles, canal viaducts, tow paths and locks, stations and other built transportation features integrally related to the operation, passenger and freight use, construction, or maintenance of any mode of transportation.

Rehabilitation means the process of returning the property to a state which makes possible a contemporary use while preserving the significant historic features of that property. Subsequent conversion costs or tenant improvements are not eligible.

***Example of Projects:*** Santa Fe Depot in San Diego. Central Valley railroad depots and train stations on the San Francisco Peninsula commute. Restoration of historic ferry terminals. Interpretive displays as part of historic bridge replacement projects. Costs on historic bridges over and above normal mitigation.

**7. *Preservation of abandoned railway corridors (for conversion to pedestrian or bicycle trails).***

This category includes the acquisition, rehabilitation and development of corridors for public bicycle or pedestrian use. In some cases it could allow preservation without capital improvements, although *emphasis is placed on current enhancement value*. This category permits the development and rehabilitation of privately-owned rail corridors to bicycle or pedestrian facilities open to the general public without charge. This may not be used solely for rail preservation. A declaration of intent for future bike or pedestrian use is required. Failure to open the lands acquired for bicycle and pedestrian use within ten years from the start of the right of way phase means the administering agency will have to reimburse the Federal Highway Administration.

***Example of Projects:*** Sacramento Northern Railway Bicycle Trail extension. Biz Johnson Trail on old Southern Pacific right of way in Susanville. Southern Pacific Santa Paula Branch Line Acquisition. Northwest Pacific Railroad Bike Path in Larkspur. Tidewater Bikeway in Manteca.

**8. *Control and removal of outdoor advertising.***

This includes the control and removal of existing nonconforming outdoor advertising signs, billboards, displays, and devices, which are in addition to removal of illegal signs required to exercise effective control of outdoor advertising under Section 131 of Title 23. "Nonconforming" is defined in the California Administrative Code, Title 4 Chapter 6. In general, a nonconforming sign was placed lawfully, but does not conform to subsequent enacted laws. Priority shall be given to the removal of outdoor advertising signs, displays, and devices in conjunction with other enhancement activities, and nonconforming displays along scenic highways. This category may include compilation of an accurate inventory of nonconforming outdoor advertising displays.

If displays are conforming, Caltrans expects the agency with jurisdiction to have in place an ordinance or other mechanism to preclude replacement displays in the same transportation corridor.

***Example of Projects:*** Purchase and removal of nonconforming billboards on designated scenic highways. Purchase of scenic easements along transportation corridors or viewsheds to prevent visual degradation.

#### **9. *Archaeological planning and research.***

This includes, but is not limited to, research on sites qualified for transportation enhancement funds; experimental activities in archaeological site preservation and interpretation; planning to improve identification, evaluation and treatment of archaeological sites; problem-oriented synthesis using data derived from (though not limited to) transportation-related archaeological activities; local and regional research designs to guide future surveys, data recovery, and synthetic research; and activities having similar purposes carried out in partnership with other Federal, State, local and tribal government agencies and non-governmental organizations.

This category includes rehabilitating archaeological dig records and curation of artifacts previously recovered along the transportation corridor to enhance significance and public appreciation for the site through interpretative signs, displays, and publications.

Projects primarily for data entry into geographic information systems to accommodate future normal transportation projects are not eligible.

Although museum creation is not an eligible activity, public exhibit of the artifacts may be eligible.

All work must be done in compliance with the Secretary of the Interior's Standards and Guidelines for Archeology and Historic Preservation or Secretary of the Interior's Standards for Historic Preservation Projects and must be managed under the direction of professionals meeting the standards published in the Code of Federal Regulations, 36 CFR, Part 61. The qualifications define minimum education and experience required to perform eligible historic preservation activities. In some cases, additional areas or levels of expertise may be needed depending on the complexity of the task and the nature of the historic properties involved.

In some circumstances, the cultural and sacred values of Native American or other ethnic community sites may require the inclusion of additional viewpoints. Proposals referring to such sites must be accompanied by evidence that appropriate Native American and ethnic community representatives have been consulted.

This category is not for excavations.

**Example of Projects:** Regional or statewide research. Upgrade or expansion of regional curation facilities to meet Federal and State guidelines, in order to regionalize archaeological collections and facilitate regional archaeological research. Statewide or regional archaeological study for State Routes in archaeologically sensitive areas, developing an Archaeological Inventory similar to the existing Bridge Inventory. Rehabilitation of archaeological dig records and artifacts previously recovered along a highway to enhance significance and public appreciation for the site through interpretive signs and publications. Construction of traveling displays of artifacts for schools.

#### **10. Mitigation of water pollution due to highway runoff.**

These projects are for facilities and programs reducing or eliminating pollution from storm water runoff from highway facilities in addition to current requirements and procedures for such mitigation. The pollution must be due to materials washing off of the roadway surface. Projects that demonstrate aesthetic and ecological methods for mitigation and enhance recharge are encouraged.

Projects may have groundwater recharge, multiple resource benefits, and aesthetic preservation components, but only when secondary to the purpose of mitigating water pollution due to highway runoff.

No activity which has been identified as a requirement of a stormwater permit is eligible for enhancement funding.

Acquisition of land in and of itself is not considered an eligible mitigation of water pollution unless the acquisition itself fulfills the mitigation objective. Projects to acquire degraded land to rehabilitate into mitigation for highway runoff must have absolute commitments of funds and completed plans for the mitigation work prior to application.

**Example of Projects:** Water pollution control alongside an existing highway to protect or improve a drinking water supply. Storm drain stenciling projects. Santa Monica stormwater treatment facility enhancements.

#### **All Categories/All Projects**

In addition, the project must fit into the general Federal requirements. These are listed in the "Competition at the Region - Screening Criteria" (See page C-4.)

### **Statewide Project Eligibility**

In addition to program eligibility, statewide projects must meet the following criteria (a + b) or (a + c): a) applicant has a multi-regional jurisdiction, and b) project is within a multi-regional plan or c) project resides in more than one region.

***Example of Projects:*** California's Coastal Trail enhancement project (six segments) submitted by the State Department of Parks and Recreation. Acquisition of scenic sites in two counties for the newly-designated San Joaquin River Parkway by the California Wildlife Conservation Board. Signing all historic bridges in California by Caltrans.

### **Eligible Costs**

The applicant must prepare an accurate cost estimate for proposed transportation enhancement activities. Agencies unfamiliar with the kinds of costs incurred on Title 23 Federal-aid projects that are eligible for reimbursement should refer to the Local Streets and Roads booklets and must confer with their Caltrans District prior to the application deadline (see page E-1.)

Transportation enhancement activities funds are reimbursable Federal-aid moneys, subject to all the requirements of Title 23, United States Code. They are for capital improvements. Feasibility study projects are ineligible, which of themselves provide no enhancement to the public. If a study shows the project to be feasible and a financial plan shows a credible source of operating funds, capital phases may be eligible for enhancement funds. These include preliminary engineering (including environmental studies), real property acquisition, and construction costs associated with conducting an eligible activity. These funds are not to be used for program planning; however, they may be used for archaeological planning projects.

Improvements to private property and commercial facilities are not eligible, but may include properties for public use, owned by a public not-for-profit corporation.

Many projects are a mix of elements, some on the list of 10 categories and some not. Those project elements which are on the list may be counted as transportation enhancement activities. For example, a rest area might include an adjacent historic site purchased and developed as an interpretive site illustrating local history. The historic site purchase and development qualifies as a transportation enhancement activity.

Activities which are not explicitly on the list might qualify if they are an integral part of a larger qualifying activity. For example, if the rehabilitation of a historic railroad station required the construction of new drainage facilities, the entire project could be considered a transportation enhancement activity. Similarly, environmental analysis, project planning, design, land acquisition, and construction activities necessary for implementing qualifying transportation enhancement activities are eligible for funding. For example, costs for environmental mitigation required for the enhancement project itself are reimbursable.

Transportation enhancement activities may not in themselves be routine or customary elements of transportation projects or mitigation for project impacts in compliance with the requirements of environmental, or other Federal, State, or local laws, even if those aspects will otherwise constitute a specified transportation enhancement.

Project funding under the transportation enhancement program is not available for a non-applicant agency to perform its normal required review and permit functions.

Convict labor is not a reimbursable cost.

Costs involved in applying for funds are not eligible. Any costs incurred prior to written approval to proceed by Caltrans are not eligible. (See page B-17.)

### **Local Funding Share (Match)**

Transportation Enhancement Activities are reimbursable projects. Applicants are expected to finance the project as it proceeds. Up to 88 percent of the actual eligible expenditures – up to the ceiling of the Federal funding share – will be reimbursed with each invoice. The amount programmed into the State Transportation Improvement Program (STIP), based on the original estimate of the project costs, will determine the Federal funding ceiling. Local funding share must be used in each phase.

Where the applicant chooses to use Federal funds, a match of approximately 12 match dollars to each 88 Federal dollars for a total of 100 dollars is required in each enhancement project phase. Administering agencies may “overmatch” enhancement projects; that is, additional match dollars may be used in the transportation enhancement activity beyond the match requirement. Because of Federal policies and the possibility of cost overruns, administering agencies are encouraged to use the full extent of Federal funds in the project. Agencies are discouraged from including more than 49 percent non-Federal dollars in the total enhancement project cost. The Federal Highway Administration authorizes expenditures on a project phase by phase (preliminary engineering, right of way, construction).

The exception to the 12 percent match is for bicycle and pedestrian facilities. “*For purposes of this title, construction of a pedestrian walkway and a bicycle transportation facility shall be deemed to be a highway project and the Federal share payable on account of such construction shall be 80 percent.*” (Section 217(f) of Title 23). A 20 percent match will be required on bicycle and pedestrian facilities; that is, 20 match dollars to each 80 Federal dollars for a total of 100 dollars is required in each enhancement project phase.

Match may be provided from Caltrans State Highway Account funds for projects directly related to the State Highway System. Each Caltrans District Director has responsibility for recommending use of these funds to the Commission. Project applicants are encouraged to have an alternate funding source when requesting State Highway Account funds, as there is no guarantee they will be approved by the Commission. (See Application, part Five.) State Highway Account match may only be requested during the application process; it may not be requested after a project is programmed.

Under the Federal Highway Administration's new innovative financing test and evaluation project, a nationwide project has been established to allow greater flexibility for matching funds; for example, match may now be other Federal dollars or private cash. Administering agencies may contact their Caltrans District Local Assistance Engineer for details.

Section 323 of Title 23 allows certain right of way donations to count towards the local funding share of a project. Donations must be from private ownership to public ownership for project purposes. Acquired right of way is not eligible as the match. Land that has been acquired previously and is already intended or available for use by the public does not qualify for donation credit.

“Soft match” refers to instances where the value of activities accomplished away from the project are credited toward the non-Federal share (match) of the project. An example of this is the toll credit provisions of Section 1044 of the ISTEA. Soft match generally is not eligible under current Federal rules.

Occasionally, an administering agency’s partner seeks to provide labor or materials to design or construct a given project. Or sometimes an administering agency wants to use its own forces to do part or all of the work. In both of these cases, a competitive bidding process is precluded. When this is desired, the administering agency must give justification for not utilizing contracting by competitive bid; a comparison must be made between a) doing work by the agency’s own forces [or sole-sourcing the work to the partner] and b) by contracting out. When justifying the use of the partner as a sole source, the administering agency also must show that these are the only people who can do the work, and that services are available only from this single source. Caltrans will make a “Finding of Public Interest” on the justification. In addition, some agencies’ regulations may limit work by methods other than contracting out.

### **Use of Environmental Enhancement and Mitigation (EEM) Funds as Match**

It is possible to use the State EEM funds as match, where a project qualifies under both programs. Each year for ten years, starting in 1991, the EEM program provides \$10 million to fund environmental projects directly or indirectly related to transportation projects. Such projects must provide environmental enhancement and mitigation over and above that otherwise called for under the California Environmental Quality Act (CEQA) or the National Environmental Policy Act (NEPA). The sixth year applications will be submitted to the Resources Agency in November 1995.

The opportunity to use these two programs together is where they overlap, for example, in scenic acquisitions, tree planting or roadside bikeways. Transportation enhancement projects matched with EEM have been in Categories 1 (Bicycle and pedestrian facilities), 2 (Acquisition of scenic easements and scenic or historic sites), and 4 (Landscaping and other scenic beautification).

The transportation enhancement activities program and the EEM program have timing requirements that often make putting a project together with both funds challenging. The major hurdle is to complete the Federal environmental documentation (transportation enhancement activities requirement) before the deadline to start construction with EEM funds. (EEM does not reimburse for environmental documentation.)

EEM projects must receive a vote for allocation of funds for the right of way or construction phases *in the year programmed by the Commission*, start construction *within six months* after the allocation vote, and be *completed within three years* of the programming date.

To have a successful project, applicants desiring to use EEM for the local funding share may consider two optional paths. In both, *EEM is used to match only the right of way and construction phases*. This is, in part, because EEM cannot be used to fund environmental documents. The EEM project must have completed California Environmental Quality Act (CEQA) environmental approval prior to selection in the EEM program.

In the first option, applicants follow these steps:

- Apply for transportation enhancement activities funds in this 1996 STIP cycle (include preliminary engineering phase),
- Commit to use a match other than EEM for the project,
- Use the other match source for the preliminary engineering phase [includes construction documents and environmental documentation],
- Apply for the EEM funds during the preliminary engineering phase of the transportation enhancement project,
- If the EEM grant is awarded, after Federal environmental document approval for the transportation enhancement project, request an allocation of EEM funds from the California Transportation Commission in which the EEM funds are substituted for the other committed match source for the right of way and construction phases.

When EEM funds are used to match a transportation enhancement project, the administering agency is still required to build the EEM portion of the project as scoped in the EEM application, invoice separately, submit separate expenditure reports and reports of completion for the EEM funds. Changes in scope must go to the Commission for approval prior to proceeding. Every EEM project will be audited.

In the second option, applicants follow these steps:

- Complete preliminary engineering phase without transportation enhancement activities funds and obtain environmental document approvals up to the Federal environmental approval,
- Apply for transportation enhancement activities funds in this 1996 STIP cycle (do not include preliminary engineering phase in application),
- Commit own funds for the match for the right of way and construction phases,
- Apply for EEM funds in November 1996 or November 1997 (after environmental document is approved).

If major environmental documentation is required and the applicant wants to use Federal funds to prepare documentation, include preliminary engineering in the transportation enhancement activities application. If no extensive environmental studies will be required, the applicant may want to prepare documentation with non-Federal funds.

If the transportation enhancement project is for acquisition only, applicants may have success applying in the autumn of 1995 for both the transportation enhancement activities and EEM programs.

Transportation enhancement activities funds are Federal-aid dollars, subject to extensive legal compliance requirements, which should be considered when identifying project costs. These funds come to the administering agency with greater responsibilities and higher administrative costs than State EEM funds.

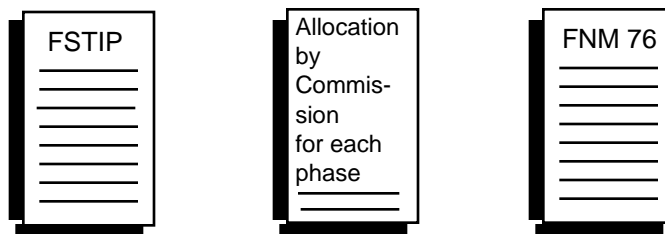
To receive the EEM Guidelines, contact the Resources Agency at (916) 653-5672. The Resources Agency receives and ranks EEM applications and submits them to the California Transportation Commission for adoption. Public comment may be made on selections at the California Transportation Commission meeting. Caltrans is responsible for project implementation and reimbursement.

It is imperative for applicants to work with the Caltrans Local Assistance staff if transportation enhancement activities funds may be matched with EEM funds.

## *When Eligible Costs Can Be Incurred/ Authorization to Proceed*

An administering agency may proceed to incur reimbursable costs for a given phase (preliminary engineering, right of way [acquisition], construction) only after it receives written notification to start from the Caltrans District Local Assistance Engineer. This occurs after: 1) Federal approval of the project in the FSTIP (Federal State Transportation Improvement Program), and 2) execution of the Federal form FNM76. Even though the project may proceed to *incur* costs, it may not be *reimbursed* until the agreements between Caltrans and the administering agency are executed and the Commission has voted funds into the blanket allocation for all enhancement projects' preliminary engineering.

Eligible costs can be incurred *after* the project is included in these documents:



Each phase of work requires approval to proceed by execution of a Federal form, the FNM 76. The ratio of Federal funds to non-Federal match remains the same in each phase of the project.

### FNM 76

	Federal \$	Match \$
1st Authorization: Preliminary Engineering	\$	\$
2nd Authorization: Right of Way (Acquisition)	\$	\$
3rd Authorization: Construction	\$	\$

If the project begins with a preliminary engineering phase, the 'blanket' FNM 76 covering the preliminary engineering phase for all transportation enhancement activities is put in place as of July 1 of each year. Therefore, reimbursable work usually can proceed as soon as the FSTIP is approved. (The Caltrans District Local Assistance Engineer informs the Project Administrator in writing.) The Project Administrator can begin *incurring* reimbursable expenses for the preliminary engineering phase only once the FNM 76 and FSTIP are in place. *Reimbursement* requires execution of the agreements between Caltrans and the Administering Agency. (See page D-3.)

Once the project is ready to incur capital outlay costs (acquisition phase and construction phase), a second vote by the Commission is required prior to the authorization to proceed, the FNM 76.

### ***Application Submittal***

No costs incurred before Caltrans' written approval date can be reimbursed. Therefore, application preparation costs are not eligible for reimbursement.

### ***Preliminary Engineering - What is included/ What is excluded***

The preliminary engineering phase includes preparation of environmental documentation and preparation of construction documents. Preliminary right of way work to provide data for environmental documentation may also be reimbursed from preliminary engineering phase moneys.

No costs beyond project-related costs are eligible. To be eligible for reimbursement, all project support costs, such as preliminary engineering, must be included in the project cost approved in the State Transportation Improvement Program (STIP) . Costs can be shifted between phases. Mitigation costs, which arise in the course of the project, are covered up to the limit of the project cost approved in the STIP.

The administering agency may use its own workforce to do preliminary engineering work. It may also retain consultants after satisfying Caltrans' requirements for selecting consultants. Agreements between administering agencies and consultants must be approved by Caltrans. (See Implementation Section D.)

Some applicants prefer to pay for preliminary engineering themselves. They prefer to hire their own local design consultants, thereby avoiding the cost and time required to meet Federal requirements for contracting services (three to six months for the Request for Proposal, interviews and selection process). Following this path makes preliminary engineering non-reimbursable.

Proposed projects must obtain Federal environmental clearance under the National Environmental Policy Act (NEPA) and other Federal regulations. This process can be more costly and take longer than State clearance under the California Environmental Quality Act (CEQA). If the proposed project includes a railroad, historic properties, archaeological sites, parkland, endangered species, wetlands, or if public controversy is involved, additional time could be involved in the process. Projects utilizing State funds for match must comply with requirements of both NEPA and CEQA.

One of the Federal environmental regulations is Section 4(f) of the Department of Transportation Act of 1966. It requires preservation of publicly-owned parks, recreation areas, wildlife and waterfowl refuges, and historic sites of national, State, or local significance (see Implementation Section, page D-8). Projects affecting these types of resources are subject to Section 4(f).

All projects are subject to Section 106 of the National Historic Preservation Act of 1966, even though not all will have cultural resources. For example, a pedestrian facilities project under construction could find historic or cultural artifacts during the process of grading.

Agencies are encouraged to obtain the Local Streets and Roads booklets, Process Guide: Procedures for Developing Federal-Aid Highway Projects on Local Streets and Roads, Environmental Analysis: Procedures for Developing Local Federal-Aid Highway Projects from the Publications Unit of Caltrans.

When development is part of the project, starting the preliminary engineering phase obligates the agency to begin construction within ten years of Federal approval. Regardless of the source of funds used to construct, Federal funds used for preliminary engineering must be returned if construction does not start.

### **Right of Way (Acquisition) - What is included/What is excluded**

Generally, the right of way phase is included when: utilities will be relocated; a purchase, easement, or lease is involved; an operating railroad facility will be crossed or modified; an occupant or business will be relocated; or an access issue is involved (see Appendix for Right of Way Checklist).

Environmental analysis and public hearing requirements must be completed before starting most right of way activities. Acquisition projects often require special environmental studies, even when no development will occur on the site. For example, these might include archaeological resources or endangered species database searches. Federal authorization to begin work must be obtained in advance when Federal funds are to be used for reimbursement of right of way costs.

All right of way activities must be performed in accordance with the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act as amended, and in conformance with Caltrans Right of Way procedures for local Federal-aid projects. Funds may be used for costs such as appraisals, surveys, legal matters, purchase, relocation assistance, or utilities relocation.

An offer to acquire property must be written and may be made only after appraisal(s) are approved and funding is authorized by a vote of the Commission. Commencement of negotiations with property owners prior to Federal approval may jeopardize reimbursement eligibility.

Agreements between local agencies and right of way consultants, private negotiators, and private relocation assistance service personnel must be approved by Caltrans. Federal funds may be used only for costs incurred after Caltrans approves the consultant agreements and the authorization to proceed (FNM 76).

Obtaining an option to purchase property is not considered to be an offer to purchase. Therefore, the requirement that no offer be made until after receiving environmental clearance and project approval will not be violated by obtaining an option.

Obtaining an appraisal, at an early stage, for the purpose of estimating the capital cost of a project will not bar FHWA participation in project costs. Such an appraisal generally serves the same functions as the project estimates Caltrans prepares, providing cost projections used in planning, applying for funding, etc.

- However, FHWA will not participate in the cost of an appraisal prepared prior to Environmental Clearance, Project Approval and Federal Authorization.
- Any appraisal used as the basis for an offer must be current. This means that if the original appraisal used for estimating purposes is so old as to be suspect as to its timeliness, it must be reviewed to determine if it is still current and if not, a new or revised appraisal must be obtained.

Private, not-for-profit organizations are not barred from receiving reimbursement of transportation enhancement activities funds for the purpose of acquiring real property rights. In addition, private not-for-profit organizations may take title to real property purchased with transportation enhancement activities funds, providing binding language in an appropriate document: a) requires continued use of the property as was proposed in the approved application; and b) provides for appropriate reversion of the property or repayment of public funds in the event that such use ceases.

Property purchased with transportation enhancement activities funds may be vested in an agency of the Federal government to accomplish the purpose of the project, and this will not bar FHWA participation.

Situations where real property rights are purchased by a private not-for-profit agency first and then re-sold to a public agency with transportation enhancement activities reimbursement do not automatically disqualify the transactions from FHWA participation. There should be some assurance in these cases that the serial transaction format was not undertaken in collusion between the two agencies to circumvent the requirements of the Uniform Act. Short of evidence of collusion or circumvention these transactions will not be barred from FHWA participation.

In the event that a) the private, not-for-profit agency purchased the property rights prior to the award of enhancement funds, b) seems to be making a financial gain on the property or c) has been using the property for some period of time for the same use as is proposed in the transportation enhancement activities application, the facts should be reviewed as early as possible with the Caltrans District Local Assistance Engineer and Right of Way Agent.

Situations where there is a coordinated plan for more than one agency to acquire substantially all of the properties contained in an area should be reviewed as early as possible with the Caltrans District, Local Assistance Engineer and Right of Way Agent.

If the proposed project is for a scenic viewshed or other type of land preservation purpose, the issue of possible dollar savings should be investigated. Sometimes the proposed project can be satisfactorily carried out if a scenic easement is acquired rather than full fee title. The amount of cost savings should be justified. For example, the continuation of livestock grazing land use may be compatible with the preservation of a scenic viewshed. Thus acquiring development rights from the property owner in the form of restrictive easement deed clauses, while allowing the owner to retain ownership rights with permitted continuation of the existing limited agricultural usage is a proper application of the scenic easement concept.

When development will occur in the project, starting the right of way phase obligates the agency to begin construction within ten years of the Federal approval date.

Agencies are encouraged to obtain the Local Street and Roads booklet, Right of Way: Procedures for Developing Local Federal-Aid Highway Projects from the Publications Unit of Caltrans.

### **Construction - What is included/What is excluded**

The construction phase includes advertising the project, awarding the contract and performing construction.

Before advertising a project for bidding, funding must be allocated by a vote of the Commission; the FNM 76 must be executed, the right of way must be certified, utility clearance and railroad clearance must be obtained (if required); and Caltrans must approve the plans, specifications and estimate, and authorize advertising.

The local agency must inspect project work to ensure compliance with the contract, and must provide a Resident Engineer who is a full-time public employee. A consultant on retainer as City or County Engineer is considered to be a full-time public employee.

Convict labor is not an eligible cost.

Involving other organizations in the construction does not absolve administering agencies from complying with Federal regulations such as for sole source contracts, prevailing wage, or disadvantaged business enterprise.

For construction, the contractor is to be chosen through a competitive bidding process. Otherwise, the administering agency must justify using its own workforce or doing the work by "sole source". Caltrans makes a "Finding of Public Interest" on the justification.

Agencies are encouraged to obtain the Local Streets and Roads booklet, Process Guide: Procedures for Developing Federal-Aid Highway Projects on Local Streets and Roads from the Publications Unit of Caltrans or on the Internet. The California Conservation Corps (CCC) and local corps certified by the CCC have expressed an interest in being involved in the implementation of transportation enhancement activities projects.



# Section C

## STAGED COMPETITION AND APPROVAL PROCESS

### Staged Process

Projects go through *two stages of competition* – at the regional level (Regional Transportation Planning Agency) and at the State level (Commission). In this way, the program balances local priorities and statewide considerations. The projects also go through *two stages of approval*: the Commission programs the projects [in the State Transportation Improvement Program], and the Metropolitan Planning Organizations, the Federal Highway Administration and the Federal Transit Administration approve each project [in the Federal State Transportation Improvement Program].

### Timeline

The sequence of the funding and approval process begins with application for funding of the enhancement activity by an eligible public agency:

- An application is submitted from that agency to the Regional Transportation Planning Agency (RTPA).
- The RTPA screens for eligibility and scores for prioritization in the Regional Transportation Improvement Program (RTIP). The RTIP lists are limited in dollar amount by bid targets set by the Commission.
- Ranked projects proceed to the Commission where they are competitively selected and programmed in the State Transportation Improvement Program (STIP).
- STIP projects in urban areas proceed to the Metropolitan Planning Organizations (MPOs) for inclusion on the Federal Transportation Improvement Program (FTIP). In non-urban areas, Caltrans includes the STIP projects on the Federal-State Transportation Improvement Program (FSTIP).

- The FTIPs and FSTIP proceed to the FHWA and FTA for approval. Administering agencies and RTPAs/MPOs are notified by Caltrans of inclusion in the FSTIP.

Projects will be scheduled to begin in the first year of the STIP. (See page A-6.)

### **Statewide Projects Competition**

Statewide projects (see page B-11) have a somewhat different path to the Commission. Applications are submitted to Caltrans, where they are screened for eligibility and scored for prioritization in the Proposed State Transportation Improvement Program (the State equivalent of the Regional Transportation Improvement Program). Statewide projects are scored with the same scoring criteria used by the regions. Caltrans utilizes a scoring committee of technical experts from within the Department and from other State and Federal agencies. Ranked projects are routed through the Resources Agency and the Business, Transportation and Housing Agency, then sent to the Commission.

Any applications received by Caltrans for processing as a statewide project which should be ranked as a local project by the RTPAs will be forwarded to them. Caltrans will screen and rank transportation enhancement activities on the basis of the statewide criteria. Caltrans will submit the prioritized statewide transportation enhancement activities list to the Commission as part of the Proposed State Transportation Improvement Plan (PSTIP).

## Prioritization



## Environmental Analysis

## Engineering Development and Design

## Acquisition

## Construction

## Project Completion

## **Local Projects Competition at the Region**

The RTPAs screen and rank transportation enhancement activities on the basis of statewide criteria. The RTPAs submit the prioritized transportation enhancement activities list to the Commission as part of the recommended Regional Transportation Improvement Program (RTIP). Only projects nominated by RTPAs in the RTIP will be considered by the Commission; those not nominated will not be considered.

### **Screening Criteria**

Transportation enhancement activities applications are screened before they are scored. They must meet the screening criteria described below.

All of the following screening requirements must be met, where applicable. If a proposal meets all of the applicable criteria within these requirements, it is eligible for ranking; if not, it will be dropped at this point. The screening requirements fall into seven groups:

1. Transportation Enhancement
2. Consistency
3. Financial
4. Project-Specific
5. Air Quality
6. Americans with Disabilities Act (ADA), and
7. Secretary of the Interior's Standards and Guidelines for Archeology and Historic Preservation *and* Secretary of the Interior's Standards for Treatment of Historic Properties.

#### ***1. Transportation Enhancement Requirements***

- What is the direct relationship to the intermodal transportation system?"
- Is this over and above a normal project?"
- "Which category or categories encompass the transportation enhancement activities?"

Transportation enhancement activities are public funds. They are to be used for facilities that are in public ownership for public use. Improvements to private property and commercial facilities are not eligible. Example: Cafe seating, childcare center and offices will in most cases be considered improvements for non-public benefit, and will not be eligible.

Enhancements development must be for capital improvement; it cannot be a maintenance expenditure, project with a life of less than 5 years, or a one-time temporary improvement.

**2. Consistency Requirements**

- a. The proposed activities must be consistent or “not inconsistent” with the regional transportation plan. Projects must be consistent with the policy direction of this plan if the plan does not go into a level of detail that specifically lists the activities. Applicants are encouraged to contact their Regional Transportation Planning Agency to review a copy of their regional transportation plan.
- b. Proposed activities are to be either included in, or consistent with, an applicable adopted State, regional, or local plan. Activities must be consistent with the policy direction of the relevant local plan, if the plan does not go into a level of detail that specifically lists them. If possible, refer to relevant sections of the local plans in support of the proposed activity.
- c. All proposed activities must be consistent with local land use plans. Proof of consistency, where the local land use plans do not provide a sufficient level of detail, is acceptable.

**3. Financial Requirements**

- a. The administering agency must have the ability to meet financial processing requirements within a realistic time frame for project completion, level of funding, and experience of project personnel. Normally, an agency with an existing master agreement can meet this requirement. (See Section D.)
- b. The proposed project must have reasonable cost estimates and be supported by an adequate financial plan. Adequate financial plans include the identification of all sources of funding to build the project; a logical cash flow, given that these are reimbursable funds; and sensible project phasing. All facilities that require an ongoing operating budget to be useful must demonstrate that such financial capability exists as part of this requirement. (See page D-14, Over-Expenditures and Under-Expenditures.) The proposed project must request a minimum of \$100,000 in Federal funds. Projects below this amount may be "bundled" by the Regional Transportation Planning Agency. Projects of unusual merit requesting Federal funds of \$50,000 to \$100,000 may be considered on a case-by-case basis.

Agencies that are unfamiliar with the costs of constructing to the design standards required for Federal-aid projects are encouraged to read the Project Administration/Implementation (Section D) of these guidelines and consult with their Caltrans District Local Assistance Engineer.

- c. As required by the Federal Highway Administration and Caltrans, all local contributions to the activity must be affirmed by a formal action of a policy board with the authority to commit funds. Such a formal action must have occurred prior to the inclusion of a project in the adopted State Transportation Improvement Program. State agencies must submit a letter from the individual with the administering authority to commit funds instead. A financial officer typically fulfills this role.

- d. The applicant agency must have a commitment to provide the local funding share (match) from non-Federal public sources.
- e. Project applicant must demonstrate the ability and commitment to maintain the resultant improvement. (Title 23, U.S. Code) Application should indicate source of maintenance funds. For projects on State highway right of way, applicant must have Caltrans' signatures on application.

#### **4. *Project-Specific Requirements***

- a. The proposed activities must have the required number of completed, signed application forms, including all attachments, and should be submitted in accordance with established deadlines. Incomplete applications may be removed from consideration without prejudice.
- b. The proposed activities must be well-defined. They must have clear project limits, intended scope of work, and project concept. If the applicant agency does not have a master agreement with Caltrans, the application must show that project costs include contracting out administration of the project to another agency. The agency must also show that costs for Federal environmental documentation have been considered (risk assessment).
- c. The proposed activities must be well-justified. Wherever possible, this justification should include the results of quantitative analysis. Adequate information must be submitted so that evaluation can be made of what the activities will accomplish.
- d. Where applicable, the proposed project must have appropriate phasing and must result in usable segments, functional facilities, or protection of resources, such as vital right of way.
- e. For the 1996 STIP, project should begin in the Federal fiscal year for which it is funded.
- f. The nomination must demonstrate a reasonable schedule for National Environmental Policy Act (NEPA) and California Environmental Quality Act (CEQA) clearances. (Environmental clearance must be complete by the time the Commission votes for allocation of capital funds. See Flowchart, page D-10.)

See Eligible Costs, Section B, for a brief list of elements that may extend the timeline for environmental clearance, such as parklands, endangered species, wetlands, historic or cultural resources, railroad sites, right of way acquisition, or public controversy.

- g. The applicant is a public agency having or capable of obtaining a master agreement and supplemental agreement with Caltrans (page D-1). It is the agency that will take responsibility to administer and maintain the project.
- h. The proposed activity (development) is done on *publicly-owned facilities*, or on other facilities with the appropriate legal assurance of *public access* for the intended use, protection of the public investment, and maintenance for the life of the project.

For any facility funded under this program, the “spirit” of the use of the funds for public benefit should be that the project maximize the use of the facility by the public. If a private vendor is to occupy a facility – regardless of whether the particular portion of the facility being occupied was the subject of enhancement-funded work or not – the type of operation being conducted by the vendor should be directed toward the greatest number of people, AND toward the people who will otherwise be benefiting from the transportation enhancement-related activities that regularly will take place at the facility.

## 5. *Air Quality Requirements*

*Usually, transportation enhancement activities will not create air quality problems.*

- a. Proposed activities located in air quality non-attainment areas and which will result in air quality impacts must be consistent with the regional project review requirements, that is, there can be no significant unmitigated negative impacts to the region’s air quality shown and, if possible, adequate transportation control measures must be included.
- b. In Transportation Management Areas (generally, urbanized areas) Federal funds may not be programmed for any highway project that will result in a significant increase in carrying capacity for single occupant vehicles unless the project is part of an approved congestion management system. (In the Metropolitan Transportation Commission (MTC) region, all projects, if programmed, will be required to comply with MTC Resolution No. 2270.)

## 6. *Americans with Disabilities Act (ADA) Requirements*

All proposed projects must meet applicable ADA requirements, including those incorporated into the California Building Code.

## 7. *Secretary of the Interior's Standards and Guidelines for Archaeology and Historic Preservation*

Proposed historic preservation projects must meet applicable Secretary of the Interior's Standards for the Treatment of Historic Properties, the Secretary of the Interior's Standards and Guidelines for Archeology and Historic Preservation, and State Historical Building Code, or Executive Order W-26-92. Transportation enhancement activities must be managed under the direction of professionals meeting the standards published in the Code of Federal Regulations, 36, CFR, Part 61.

Lists of most eligible and listed historic resources are available from Caltrans Districts. Archaeology information must be obtained from the Archaeology Information Centers. Their current fees are \$90 per hour or any portion thereof. A typical search takes one to three hours. (See Archaeology Information Centers in the Appendix.)

### **Scoring Criteria (Ranking by RTPA)**

Design quality can distinguish a good project from an excellent project. Applicants are encouraged to work with their Regional Transportation Planning Agency (RTPA) to best meet regional planning objectives through the scoping of their proposed projects.

Each project nomination can receive a maximum of 100 points: up to 60 points in general scoring and up to 40 points in activity-specific scoring. In the general scoring process, all applications are scored by the same point system. For the specific-activity scoring, the 10 transportation enhancement activity categories are grouped into four divisions of commonality, then a proposal is scored within the applicable division. The 10 categories are grouped only for this purpose.

Scoring is applied to the activities on which the enhancement funds will be spent and on the immediate and direct effects of these activities. For example, future or suspected benefit of the project, not directly a part of the project, should not be subject to scoring.

Projects will be scored by the RTPA and prioritized in the RTIPs. Individual RTPAs may differ in interpretation and implementation of scoring criteria due to varying local conditions throughout the State. *To honor regional priorities, no rescoring will occur at the State level.*

These are the scoring values for the general merit criteria, and the possible points in each area:

Regional and Community Enhancement	50 points
Cost Effectiveness/Reasonable Cost	<u>10 points</u>
Total Possible General Score	60 points

These are the activity-specific divisions and the possible points in each area. A project can score in only one of the specific divisions.

1.	Bicycle, Pedestrian, Abandoned Rail Right of way	40 points
2.	Historic/Archaeological	40 points
3.	Transportation Aesthetics and Scenic Values	40 points
4.	Water Pollution Due to Highway Runoff	<u>40 points</u>
	Total Possible Specific Score (1 Division only)	40 points

### **General Merit Criteria**

Each application will be evaluated on the following general merit criteria:

#### **1. *Regional and Community Enhancement* (50 points)**

The project score in this area is derived from the project's primary effects – its intent and purpose – on the following elements.

- |    |  |             |
|----|--|-------------|
| a. | Benefit to quality-of-life, community, environment. Examples might include provision of safe, aesthetic pedestrian facility at a rail station, removal of billboards on a rural scenic highway, provision for wildlife corridors or migration areas.         | 0-10 points |
| b. | Increases access to activity centers, such as businesses, schools, recreational areas and shopping areas. Connects transportation modes, has multimodal aspects. Reinforces, complements the regional transportation system, fills deficiency in the system. | 0-8 points  |
| c. | Implements goals in the regional transportation plan, or other adopted Federal, State, or local plans. Examples might include water quality plans or elements of general plans.  | 0-8 points  |

- |    |   |            |
|----|---|------------|
| d. | Increases availability, awareness or protection of historic, community, visual or natural resources.  | 0-8 points |
| e. | Degree of regional or community support. For example, letters of support from local interest groups and public bodies, additional match.  | 0-8 points |
| f. | Encompasses more than one of the four activity-specific divisions. That is, the project has aspects of other activity-specific division(s) which would score meritoriously in and of themselves. There will be direct and intended public benefit from these merits; the benefits are not remotely related by function and proximity to the main project activity, or only suspected to occur by the main activity. | 0-8 points |

## 2. *Cost-effectiveness/Reasonable Cost (10 points)*

The project score in this area is a function of improved performance or productivity of the project as it relates to the annualized total project cost. Where the project does not lend itself to this type of analysis, the reasonableness of the cost should be established. How many people will use the enhancement? What is the length of the life cycle? For example, a bicycle route that takes advantage of existing public land may be considered more cost effective than one that purchases private property. In the same way, a project that has large preliminary engineering costs proportionate to the resultant enhancement may be considered less cost effective, depending on the resulting use. Scarcity values, too, can enter into a “reasonable cost”, for instance, if a unique and valuable viewshed may be lost to pending development.

No preference will be given to overmatched projects.

Highly cost-effective	10 points
Reasonable cost or moderately cost-effective	6 points
Low cost-effectiveness	2 points
Not cost-effective/Not applicable	0 points

**Activity-Specific Criteria**

The Activity-Specific Criteria are groupings of the 10 activity categories into four divisions with similar characteristics. This is done for the convenience of those who score the proposals. *The four groups are not intended to affect the distribution of funds*, nor to be anything other than a convenience to the RTPAs in the scoring process. Scores are for ranking at the regional level only. The scores are not used by the Commission to compare projects between RTPAs on a statewide level, because each RTPA will be considering its own local priorities, which differ throughout the State.

*A proposal can score in only one of Divisions 1 through 4.*

The project score in each activity-specific division is designed to compensate for inability to score in other specific groups. It is not a way to double count benefits.

**1. *Bicycle, Pedestrian, Abandoned Rail Right of Way Specific Division (40 points)***

This division encompasses:

Category 1: Provision of facilities for pedestrians and bicycles

Category 7: Preservation of abandoned railway corridors (including the conversion of use thereof for pedestrian or bicycle trails)

Need for proposed facilities: shortage of bicycle or pedestrian facilities; missing link in connecting the intermodal system, importance of link; Necessity of proposed facilities to serve the system:

High 10 - 20 points

Medium

5 - 10 points

Low

0 - 5 points

Degree proposed project meets needs or addresses opportunities for bicycle or pedestrian facilities:

High 10 - 20 points

Medium

5 - 10 points

Low

0 - 5 points

2. *Historic/Archaeological Specific Division (40 points)*

This division encompasses:

Category 2: Acquisition of historic sites

Category 3: Historic highway programs

Category 5: Historic preservation

Category 6: Rehabilitation and operation of historic transportation buildings, structures or facilities (including historic railroad facilities and canals)

Category 9: Archaeological planning and research.

Current recognized level of historic significance (Federal, State, or local):

High 10 - 20 points

Medium

5 - 10 points

Low

0 - 5 points

Degree project activity will enhance, preserve, or protect the historic/archaeological resource:

High 10 - 20 points

Medium

5 - 10 points

Low

0 - 5 points

**3. Transportation Aesthetics and Scenic Values Specific Division (40 points)**

This division encompasses:

Category 2: Acquisition of scenic easements and scenic sites

Category 3: Scenic highway programs

Category 4: Landscaping and other scenic beautification

Category 8: Control and removal of outdoor advertising.

Degree to which scenic or aesthetic resources are rare, unique, or significant; degree to which potential for enhancement exists for landscaping or scenic beautification; current degree of visual blight:

High 10 - 20 points

Medium 5 - 10 points

Low 0 - 5 points

Degree to which project will preserve, rehabilitate or develop scenic or aesthetic resource:

High 10 - 20 points

Medium 5 - 10 points

Low 0 - 5 points

**4. Water Pollution Due to Highway Runoff Specific Division (40 points)**

This division encompasses:

Category 10: Mitigation of water pollution due to highway runoff.

Magnitude of environmental problem:

High 10 - 20 points

Medium 5 - 10 points

Low 0 - 5 points

Degree to which activity solves this problem:

High 10 - 20 points

Medium 5 - 10 points

Low 0 - 5 points

## **Regional Bid Targets**

The California Transportation Commission has established policies for programming transportation enhancement activities by its Resolution No. G93-03. The Commission takes the total dollars available, splits the amount according to the legally required north/south county split, and divides these amounts into bid targets for each Regional Transportation Planning Agency (RTPA).

The Streets and Highways Code Section 188 divides the State into two groups of counties, 13 south counties and 45 north counties. The dividing line runs so that San Luis Obispo, Kern, Tulare, Inyo, and Mono Counties and all counties further south make up the south group.

Each RTPA is instructed to prepare a ranked project list that costs an amount equivalent to the bid target. Bid targets are dollar figures each RTPA aims for in putting together its list of projects. Targets are not a guarantee of programming funds, nor an indication. Each RTPA will have the option of bidding three projects, or bidding any number of projects up to their target. Caltrans receives a bid target of up to 10 percent of the total program target for projects of a statewide nature. Caltrans' recommended statewide projects compete on an equal footing with those from the RTPAs.

Projects which do not rank high enough to be in the RTIP will not be considered by the California Transportation Commission.

Regional Transportation Planning Agencies send their RTIPs to:

California Transportation Commission  
ATTN: TEA Projects  
1120 N Street, Room 2200  
Sacramento, CA 95814

(See page A-7 for schedule.)

## ***County Minimums***

Transportation enhancement activities funds do count toward county minimums, but with rare exceptions determined by the Commission, will not supplant normal transportation projects to meet these minimums. (The enhancement program accounts for only about two percent of a county minimum.)

## **Competition & Approval at the State Level**

The Commission has responsibility for selecting projects for funding. Projects will not be rescored and ranked at this level. Projects come to the Commission from the Regional Transportation Planning Agencies in prioritized lists. The projects are not rescored at the State level. The Commission follows the regional priorities in the top part of the regions' lists, then selects from the bottom part of the lists according to its selection criteria.

### **Selection Criteria**

Commission staff takes into account the following factors when recommending enhancement projects to the Commission:

- Regional priorities
- Statewide, national, recreational, and historic importance, as identified by a Resources Agency review.
- Program balance, geographically and by type of project.
- One-time opportunities that might be lost by the next STIP (every 2 years).
- Potential economic stimulus from project construction work.
- Project uniqueness, including the ability to stretch the frontiers of program eligibility.
- Ancillary transportation value, in addition to enhancement values.
- Project merit and cost-effectiveness.
- Degree and nature of support from the community and elected officials.
- Linkage with Proposition 116 and Environmental Enhancement and Mitigation program recommendations.

## **Approval at the Federal Level**

After the projects are programmed in the State Transportation Improvement Program (STIP), they are amended by each Regional Transportation Planning Agency into the Region's Federal Transportation Improvement Program (FTIP). Caltrans recommends that transportation enhancement activities have TIP amendments separate from other TIP amendments. Subsequently, they are approved by the Federal Highway Administration and the Federal Transit Administration in the Federal State Transportation Improvement Program (FSTIP).



## Section D

# PROJECT ADMINISTRATION/ IMPLEMENTATION

Administration of the transportation enhancement activity project occurs after it is approved for inclusion in the Federal State Transportation Improvement Program (FSTIP). Inclusion into the FSTIP occurs after the Commission votes the project into the State Transportation Improvement Program (STIP). The following procedures reflect both Federal and State requirements for subsequent implementation of a project.

**Important Note:** The guidance contained in this section will be changed in an addendum to the Guidelines, to be published in the fall of 1995. The changes will reflect Caltrans' streamlined "re-engineering" efforts, which will turn over much of the responsibility for project implementation to the administering agencies. Caltrans District Local Assistance involvement will be less than before. Nevertheless, this section should provide sufficient information to give applicants a reasonable idea of the processes and the costs involved in executing a Federal-aid project. Administering agencies can expect somewhat increased costs tied to increased responsibilities during implementation.

### **Agencies That May Administer Projects (Administering Agencies)**

#### **Agencies with Master Agreements**

Agencies with a Local Agency-State Agreement (master agreement) and determined to be capable by the Caltrans District Local Assistance Engineer may administer projects.

Agencies that have not secured a master agreement are encouraged to work diligently with their Local Assistance Engineer to ensure compliance with Title 23 Federal requirements to secure a master agreement.

Caltrans suggests that agencies having minimal staff to be able to administer Federal-aid projects should work closely with their county and their Regional Transportation Planning Agency to partner with an agency that has adequate staff and a master agreement in place.

Agencies with master agreements may do the preliminary engineering work themselves, or contract it out.

### ***State Agencies***

State agencies may administer transportation enhancement activities projects under a master agreement and a supplemental agreement with Caltrans. These agreements will ensure compliance with the Title 23 Federal requirements. The agency must have statutory authority to charge on a reimbursable basis. State agencies are included as "local agencies" in this Implementation Section of the Guidelines.

### ***Federal Agencies***

Federal agencies may administer transportation enhancement activities projects under a master agreement and supplemental agreement with Caltrans. The agency must have statutory authority to charge on a reimbursable basis. This agreement will ensure compliance with the Title 23 Federal requirements.

### ***Caltrans***

Caltrans districts may administer transportation enhancement activities, using the same procedures as other projects using reimbursable Federal-aid funds.

As a last resort, Caltrans may be available to administer projects for agencies having no master agreement as 'reimbursed work for others'. Administering agencies must pay 100 percent of Caltrans overhead charges, which are not eligible for Federal reimbursement. Caltrans encourages agencies to seek project administration through other means. Even though Caltrans may administer a project, it does not mean that Caltrans will take responsibility for maintaining it when the project is completed.

Match from the partner will be an up-front cost (advance deposit) for each phase, when Caltrans administers the project. Agencies should work closely with their Caltrans' district to negotiate agreements.

## ***Implementation – A Phased Process***

Implementation of a transportation enhancement project is a phased process, where approval must be received before reimbursable work can begin in each phase. Enhancement projects have up to three phases: 1) preliminary engineering, 2) right of way, and 3) construction. Not all projects go through all three phases; some are only one- or two-phase projects. The chart on page D-18 shows the process.

The administering agency will have *one primary contact* at Caltrans, a Local Assistance Engineer at the district where the project resides.

Briefly, the administering agency works with the Local Assistance Engineer to fulfill the following responsibilities:

- Request and conduct field review
- Negotiate and execute agreements with Caltrans
- Comply with all applicable Federal, State and local laws, rules and regulations, including environmental requirements in executing the project
- Request allocation vote (second vote) from Commission (right of way or construction phase)
- Submit invoices
- Submit final project report.

The Regional Transportation Planning Agencies may attend the field reviews and – in cooperation with Caltrans – approve project scope and cost changes (see discussion of Under-Expenditures and Over-Expenditures, this section).

### **Use of Metric System**

Transportation enhancement activities must comply with the Federal mandate to utilize the metric system for all federally financed projects, effective February 13, 1995. Specific guidelines will be published in July 1995. All projects that utilize Federal funds are under the same Federal mandate and will be subject to loss of Federal funding eligibility for noncompliance.

The metric symbol must be used on any document where metric units are used, such as agreements, maps, property description, and plans. Projects advertised for construction after September 30, 1996 must be entirely in metric units. For questions about metric guidelines, contact Alan Glen, Caltrans Headquarters, (916) 653-1776.

### **Master Agreement**

Before funds can be reimbursed, a master agreement and program supplemental agreement must be signed by Caltrans and the administering agency.

In the master agreement (Local Agency - State Agreement), the administering agency agrees to conform to all State and Federal laws, regulations, policies, procedures, and instructional memoranda. Administering agency agrees to provide or arrange for adequate supervision and inspection of each improvement.

The agreement describes fiscal provisions, including non-Federal match, billing frequency, and administering agency responsibility for charges not financed with Federal funds. The administering agency agrees to give access and assistance to State and Federal auditors.

The administering agency agrees to ensure work performed under the master agreement conforms to Federal and State employment practices. In the event of consultant contracted work, the selection process and the terms of the agreement will be approved by the State. Consultants must agree to give access and assistance to State and Federal auditors. In the event of right of way action, rigorous Federal and State rules apply (see page D-11). Record retention periods are described in the agreement.

The master agreement contains 'hold harmless' indemnity provisions.

The administering agency agrees to provide long-term maintenance to maintain and protect the completed Federal-aid project in a manner satisfactory to the State and Federal government.

The master agreement describes clauses that must be inserted into any and all deeds, licenses, leases, permits, contracts, and contract specifications.

The master agreement is a "blanket agreement" under which program supplemental agreements are executed specifically for each project.

Master agreements and program supplemental agreements are to ensure that administering agencies and projects are in compliance with Federal requirements. The master agreement includes the mechanisms whereby the administering agency refunds Federal moneys to the State, should the agency not be in compliance with these Federal regulations and maintenance provisions.

Design self-certification by administering agencies is encouraged. Contact the Caltrans District Local Assistance staff for more information.

### **Field Review**

To start project implementation, the Project Administrator from the administering agency asks the Local Assistance Engineer to hold a field review. (Caltrans District Local Assistance contact people are listed on page E-8.) The administering agency may invite key funding partners to the field review. The Local Assistance Engineer invites the Regional Transportation Planning Agency, Caltrans District Landscape Architect, Environmental Planner, Right of Way Agent, Art Coordinator, Area Engineer, FHWA representative, and others as appropriate.

The field review (project review) is intended to provide the administering agency the opportunity to explain the project scope and to determine the Federal and State requirements that must be satisfied. At the discretion of the District Local Assistance Engineer and the administering agency, potentially involved Federal, State, and local representatives and permitting agencies are invited to explain their requirements and time frames.

The administering agency requests a field review to be scheduled by submitting the field review form to the Local Assistance Engineer.

The basic project description, funding, administration and environmental portions of the field review form should be filled out for submittal. For other than roadway-related projects, much of the remaining data requested on the form may not apply.

For some projects, the field review may be an office meeting or even handled by correspondence, rather than actually meeting at the project site. The procedure used should be agreed upon between the Project Administrator and the District Local Assistance Engineer. In most cases the field review serves a very important function, especially to inform the Project Administrator of the process to comply with the Federal requirements, to ensure maximum Federal funding eligibility.

Generally, field reviews are scheduled for projects after they are in a Federal-approved Federal State Transportation Improvement Program (FSTIP). Since the date of Federal eligibility is often established by the FSTIP approval, all costs, including the field review, will then be eligible for reimbursement. (See page B-17.)

Field reviews may be held prior to the project being on an approved FSTIP to expedite the process if the Project Administrator and the District agree. In this case the field review will not be a reimbursable cost.

Even if the field review is itself an eligible cost, reimbursement can only occur after execution of the master agreement and supplemental agreement. The supplemental agreement is usually executed *after* the field review.

The administering agency should take a copy of the transportation enhancement activities application and a field review form to the field review and be prepared to discuss the following:

- Project scope and cost
- System identified (on or off the State Highway system)
- Proposed funding, strategy for meeting requirements for each funding program
- Environmental studies and management plans previously conducted
- Environmental document and studies required
- Right of way and utility requirements
- Permit requirements
- Project timelines
- Maintenance responsibilities.

### **Allocation of Funds for Capital Outlay – The Second Vote**

Projects voted into the State Transportation Improvement Program (STIP) proceed through the preliminary engineering phase before returning to the Commission for their “second vote”. Once a project has environmental approval, but prior to acquisition or construction contract advertisement, a Commission “second vote” for funding is scheduled. Generally, the vote is scheduled 60 days in advance of the Commission meeting. Allocation requests are for the capital phases of the project (right of way and/or construction), which will be initiated within six months. The District Local Assistance Engineer will coordinate this process with the Project Administrator.

The Commission releases funds through the State budget system, but expenditure of funds is still subject to obtaining Federal authorization and execution of the master and supplemental agreements. In addition, State transportation funding shortfalls may require projects to be put on "hold" when they are ready for their second vote.

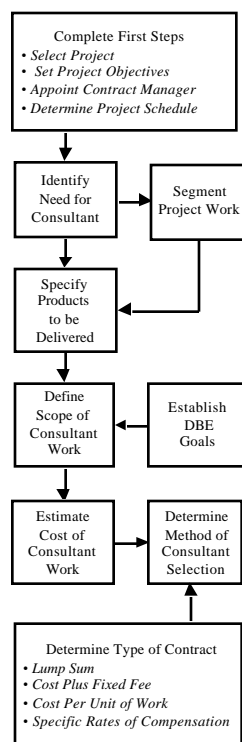
### **Consultant Selection for All Phases**

To ensure eligibility for reimbursement, consultant selection should occur *after* the authorization to proceed for the preliminary engineering phase and *after* the District Local Assistance Engineer has approved the consultant selection process and consultant agreement. Consultant selection must conform to Federal requirements, including participation by disadvantaged business enterprises (DBEs).

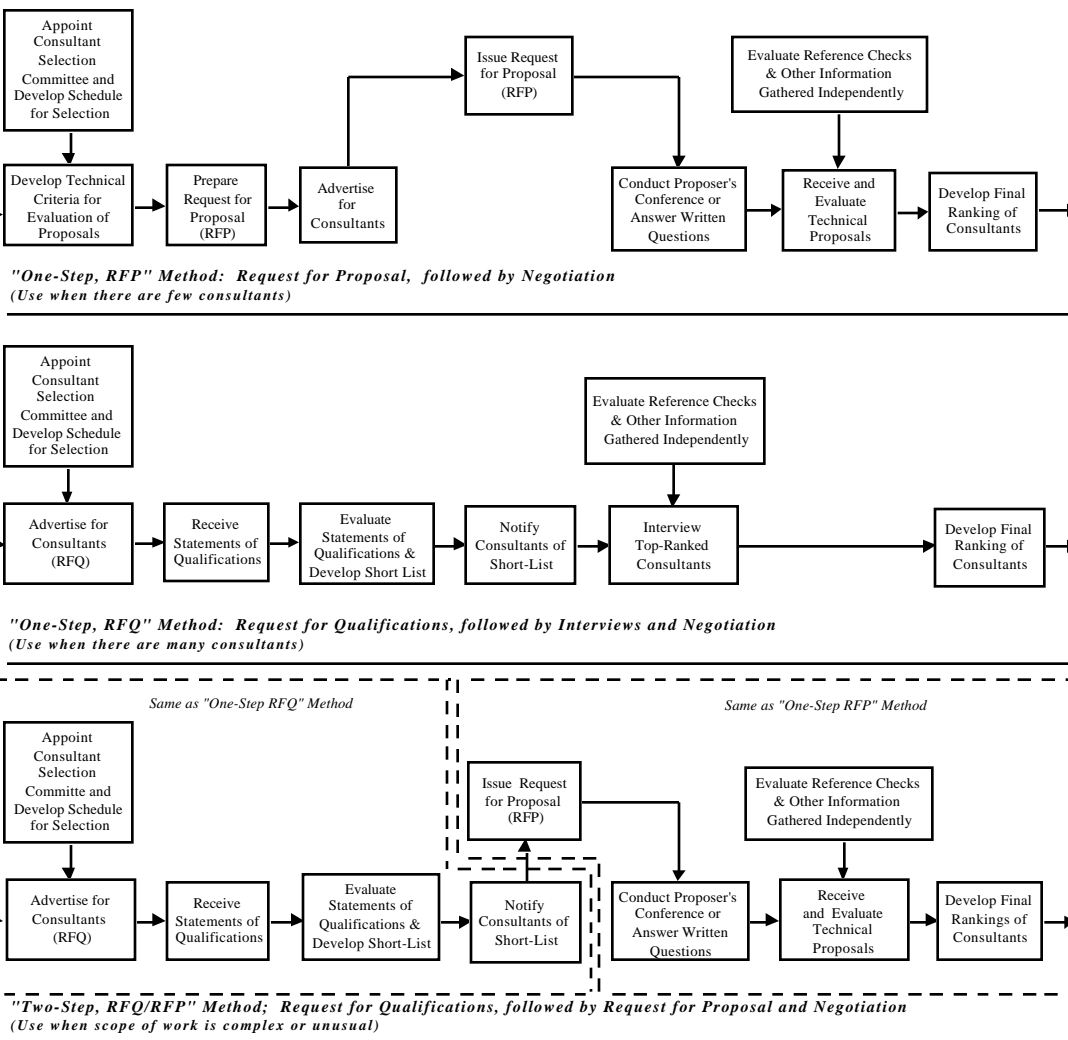
Consultant contracts for design-related services must result from negotiations which utilize qualifications-based selection procedures. Qualifications-based procedures do not allow for price to be used as a factor in the selection process. (See Caltrans Local Programs Manual, Volume 1 and the booklet, “Consultant Selection: Procedures for Selecting Consultants for Federal-aid Highway Projects on Local Streets and Roads”, available from Local Assistance.) See flow chart on the following page.

## SELECTING CONSULTANTS

### Initiate Project



### Select Consultants



D-7

### **Preliminary Engineering Phase**

Eligible costs for preliminary engineering usually may be incurred beginning on the date the Federal Highway Administration and Federal Transit Administration approve the Federal State Transportation Improvement Program (FSTIP) or FSTIP amendments that include the project. The District Local Assistance Engineer will notify administering agency of this date. (See page B-17.)

### **Environmental Documentation**

Transportation enhancement projects must meet the requirements of the California Environmental Quality Act (CEQA), the National Environmental Policy Act (NEPA) and all other relevant Federal environmental requirements. (See Caltrans Local Programs Manual, Volume III and the booklet, “Environmental Analysis: Procedures for Developing Local Federal-Aid Highway Projects”, available from Caltrans District Local Assistance.) See flowchart on page D-10.

To the fullest extent possible, all environmental investigations, reviews, and consultations will be coordinated as a single process, and compliance with all applicable environmental requirements will be reflected in the environmental document and the conditions of the environmental document approval.

The District Local Assistance Engineer will coordinate the administering agency’s early and ongoing contact with the District Environmental Branch.

The administering agency, under agreement with Caltrans, is the lead agency responsible for complying with the provisions of the CEQA. Where a State Highway is involved, Caltrans reviews the CEQA document.

Caltrans ensures compliance with NEPA and the other Federal environmental requirements for all Federal-aid projects. The other requirements include:

- Section 4(f) of the Department of Transportation Act of 1966 applies when a proposed project will result in the use of land in a publicly owned park, recreation area, or wildlife and waterfowl refuge, or any significant historic site. Such a use may not occur unless there is adequate documentation that there is no prudent and feasible alternative to the use of the land in the property, and the action includes all possible planning to minimize harm to the property resulting from such use. Each enhancement project must be evaluated to determine if Section 4(f) applies. Specific documentation and procedural requirements involving FHWA and other Federal agencies must be followed.
- Section 7 of the Endangered Species Act of 1973 requires Federal agencies to consult with the U. S. Fish and Wildlife Service (National Marine Fisheries Service, if applicable) if a federally-funded project may affect a listed endangered species or critical habitat of an endangered species. The administering agency will be responsible for assessing the potential for impact.

- Section 106 of the National Historic Act of 1966 provides authority for the protection of historic and cultural properties. Section 106 requires Federal agencies to take into account the effects of any federally-funded project on National Register listed or eligible properties and consult with the State Historic Preservation Officer and the Advisory Council on Historic Preservation as appropriate pursuant to Title 36 Code of Federal Regulations 800. The administering agency will be responsible for preparing any documentation necessary to fulfill these requirements. The “106” process can be completed in two months to two years or more, depending on the type of project, impact on the historic property and mitigation measures required to protect the historic property.
- Executive Order 11990, May 24, 1977, “Protection of Wetlands” requires Federal agencies to make a wetlands finding which determines whether or not there is a practicable alternative to construction located in wetlands, whether all practicable measures to minimize harm to the wetlands have been included in the Federal action, taking into account all economic, environmental, and other pertinent factors that have a bearing on practicability. The administering agency is required to delineate wetlands, identify impacts and evaluate avoidance alternatives in the environmental phase of project development. The administering agency is required to obtain a 404 permit prior to advertisement for construction. This law and the Section 404 permit program of the Clean Water Act of 1977 play an important part in the preliminary engineering phase. Timing of the field review should be arranged usually in late winter, spring, or early summer to identify wetlands plant species.
- Other Federal environmental laws. The administering agency will be required to prepare any other studies necessary to comply with any other Federal statutes or executive orders commensurate with the anticipated impacts of the project.
- Executive Order 11991, Floodplain Management, May 24, 1977 applies to projects in the floodplain. It requires that FHWA make a “Only Practicable Alternative Finding” if a federally funded project will encroach upon the base (100-year) floodplain. The administering agency is responsible for any studies necessary to support such finding, if necessary.

Required mitigation and permits will be incorporated into the final construction documents (plans, specifications and estimate).

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### **Construction Documents – Design Standards & Reviews**

Instructions for preparing project plans, specifications and estimates are contained in the Caltrans Local Programs Manual, Volume 1.

As a minimum, transportation enhancement activities will use American Association of State Highway and Transportation Officials (AASHTO) standards where applicable, Caltrans standards for bikeways or when an encroachment permit is required on a Caltrans facility, and the California Uniform Building Code whenever it is applicable.

Design standard exceptions must be approved by the Caltrans District Local Assistance Engineer, or the Local Agency Director of Public Works prior to the project proceeding. While safety is of paramount concern, design solutions are encouraged that respect the integrity and value of historic preservation, communities, rivers, streams, lakes and coastal areas, wetlands and other environmental, scenic and aesthetic resources.

If the administering agency has design certification acceptance, it will send one set of draft construction documents (plans, specifications, cost estimate) to the District Local Assistance office prior to advertisement for review and approval of significant changes in scope and the following:

- Safety concerns
- Design exceptions approved and incorporated into documents
- Environmental reevaluation if changes occur.

Whenever applicable, the Americans with Disabilities Act must be met.

### **Right of Way (Acquisition) Phase**

Local agencies must comply with Federal acquisition regulations if transportation enhancement activities funds are used for either acquisition or construction. Prior to any right of way activities, the administering agency should be in contact with the Caltrans District Local Assistance office. Violation of right of way provisions could jeopardize Federal funds for acquisition and construction. (See page B-19 for eligible costs.)

The Commission votes to allocate funds for capital outlay (see Allocation of Funds for Capital Funds – The Second Vote, page D-6) before the Right of Way phase is eligible for reimbursement and can proceed. CEQA and NEPA approvals are required prior to the right of way phase allocation vote.

Whenever Federal funds will ultimately be used for the project, the acquisition of real property for the project is subject to the provisions of the Uniform Act, no matter if carried out by private parties or by Federal, State or local agencies.

When the acquisition of the real property qualifies for the voluntary sale provisions of the Act, no relocation assistance payments are to be provided to the grantor(s) being displaced from the property because of the project.

Tenants being displaced because of the project are entitled to all relocation assistance benefits under the Act. Grantor(s) being displaced from the property due to the project are entitled to all relocation assistance benefits under the Act, when the acquisition does not meet the requirements for a voluntary sale.

When a transportation enhancement project involves acquisition of land and the administering agency desires to have transportation enhancement activities funds deposited into an escrow account, step-by-step procedures for this exception to the usual process are as follows:

- FNM 76 is executed for Right of Way phase
- Program Supplemental Agreement includes clauses so warrants can be payable to an escrow agent and so that different funding sources are clearly identified with their pro-rata share of costs
- Caltrans executes PR2/Finance Letter
- Escrow opens
- Administering agency prepares invoice
- Administering agency signs agreement declaring restrictive covenant, for example, on a scenic viewshed
- Administering agency submits invoice, grant deed (not recorded) and agreement declaring restrictive covenant (not recorded) to Caltrans District Local Assistance
- Caltrans District Right of Way approves invoice and drafts further instructions to escrow
- Caltrans pays escrow (a memo explaining the expedite to the State Controller's Office may be required. Expedite requests cost \$18.50 for a five day turn-around and \$50.00 for a three day turn-around.)
- Escrow closes
- Escrow records grant deed and agreement declaring restrictive covenant and sends recorded documents to Caltrans District Local Assistance
- Copies are distributed
- Final detailed estimate is made
- Final audit is performed.

### **Construction Phase**

The construction phase steps generally include project advertising, bid opening, award, daily reporting, labor compliance, contract change orders and project completion. In order to ensure Federal fund eligibility, projects must not be advertised for construction until authorized by the District Local Assistance Engineer. (See page B-21 for eligible costs.) (For more information see the Local Programs Manual, Volume II.)

The Commission votes for allocation of capital funds and the administering agency receives authorization to proceed before the construction phase is eligible for reimbursement and can proceed. CEQA and NEPA approvals are required prior to the construction phase allocation vote. (See "Second Vote", page D-6.)

To initiate the construction phase, the administering agency provides the following information to Caltrans District Local Assistance:

- Request for allocation vote to Caltrans District Local Assistance
- Verification that project is in the Federal-approved State Transportation Improvement Program (FSTIP), available from the RTPA
- Right of Way Certification Letter
- Construction documents (4 sets of plans, specifications, estimates)
- Design exception(s) identified and approved by the local agency Public Works Director or Caltrans Headquarters Office of Local Programs.

Prior to advertising the construction project, the District Local Assistance Engineer will review the construction documents for:

- Safety concerns
- Environmental mitigation requirements incorporated
- Minimum design standards or approved design exceptions incorporated into plans
- Disadvantaged Business Enterprise goals
- Federal/State wage rates
- Section 14 (Federal requirements) in special provisions
- Federal fund eligibility.

Prior to awarding the construction contract, the administering agency requests District Local Assistance concurrence that the agency's bidding process and selection of the lowest bidder conforms to Federal regulations. As part of this request, the agency also provides the following information:

- Letter requesting concurrence, including a) date and time of bid opening and b) name and address of responsible low bidder and amount of bid
- Disadvantaged Business Enterprise/Woman-Owned Business Enterprise (DBE/WBE) information (3 copies, format in Local Programs Manual, Volume II, Exhibit 4-2)
- Good Faith Effort statement of DBE/WBE participation if DBE/WBE goals are not met
- List of all bidders in order of ranking from lowest to highest bid and the total of each bid (3 copies)
- Tabulated list showing the engineer's cost estimate and at least the three lowest bidders plus the successful low bidder (if not one of the three low bidders) in an item-by-item breakdown (3 copies)
- Engineer's estimate and the percentage the successful bid is over or under this estimate (if award amount is different than the engineer's estimate by more than ten percent, justification is required) (3 copies)
- Responsible low bidder's proposal (1 copy).

Prior to reimbursement for the construction phase, the administering agency provides this information to Caltrans District Local Assistance:

- Detailed estimate - 3 copies (Format, see Local Programs Manual, Vol. I)
- Date and time of pre-construction conference
- Project advisory letter (Local Programs Manual, Volume II).
- Progress and final billing invoices.

For project completion, Caltrans District Local Assistance completes the final inspection. The administering agency provides a Report of Expenditures to Local Assistance within six months of project completion. This report includes:

- Final invoice
- Final detail estimate
- Change order summary
- Liquidated damages/contractor's claims
- Date of project completion
- DBE/WBE final report
- Project certification.

In addition, the District Local Assistance inspects and gives final approval to the project. Final Reports are prepared consistent with the Local Programs Manual, Volume II.

### **Project Completion Timeline**

Caltrans expects Project Administrators to start their projects by holding the field review, executing the agreements and beginning preliminary engineering during the fiscal year they are programmed in the STIP, either 1997/98 or 1998/99. Projects should be ready for the second vote within four years and completed within five years from July 1 of their programmed year. An accelerated schedule of implementation will be required if the Federal act reauthorizing ISTEA of 1991 does not include the enhancement program; in that case all projects must receive their allocation of funds for capital outlay before September 2000.

### **Under-Expenditures and Over-Expenditures**

The Federal cost programmed into the State Transportation Improvement Program (STIP) is a fixed amount. In general, cost increases must be covered with local funds.

Project cost changes can be expected due to environmental or design decisions, from contractor's bidding, or during construction. The administering agency should plan to work with its Caltrans District Local Assistance staff to identify accurate and reasonable costs before the project application is submitted.

If the cost of the project exceeds the amount identified in the STIP, the local agency has at least one of the following options:

- Fund the additional cost with available local resources;
- Change the scope of the project to fit within the funding programmed (subject to the Federal Highway Administration, Regional Transportation Planning Agency and/or Commission and Caltrans approval);
- Fund the additional cost in one project phase with identified savings from another project phase;
- Re-advertise the project for new contractor bids;
- Request additional funding from the Commission, even though Commission policy does not allow additional funding; or
- Drop the project as no longer cost effective.

Caltrans must approve a change in project scope or shift of funding between project phases. The Regional Transportation Planning Agency and the Commission must approve any additional State funding or substantive change in project scope.

The Commission encourages cost savings on projects, to conserve funding so that more future projects can be funded in the program. The Commission will retain cost savings on any project within the same program for future programming.

### **Audits and Records Retention**

Caltrans performs financial and compliance audits on agencies receiving Federal funds. Audits are mandatory for any project involving over \$100,000 in Federal funds. Audits can establish that dollars must be paid back by the administering agency.

Audits are also performed on nonprofit institutions receiving Federal funds from an administering agency to carry out a project.

The final audit for most projects is satisfied by the Single Audit Process. If an administering agency is not subject to single audit, the State Controller's Office may be requested to perform the audit. Project records must be kept for three years after the final audit. Agencies receiving Federal-aid funds will be audited for compliance with the following:

- Title 23 and Title 49 Requirements

- Political Activity (Hatch Act and Intergovernmental Personnel Act of 1970, as amended) These acts specify that Federal funds cannot be used for political activity of any kind.
- Construction contracts (Davis-Bacon Act): For construction phase, laborers and mechanics employed by contractors of federally funded projects must be paid at wages not less than those established by the Secretary of Labor as the prevailing regional wage rate.
- Civil Rights: No person shall be excluded from participation in, or be subjected to discrimination in, any program funded in whole or part by Federal funds because of race, color, national origin, sex, age, or physical impairment. (Includes Disadvantaged Business Enterprise (DBE) requirements.)
- Cash Management (Cash Management Act of 1989): Many recipients receive funds through a letter of credit arrangement with Caltrans. Cash should be withdrawn only in amounts necessary to meet immediate needs or to cover program disbursements already made.
- Relocation assistance and real property acquisition: When property is acquired by a public agency and subsequently displaces households and businesses, the agency must carry out certain actions in compliance with the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended.

The audit can determine whether: the financial statements present fairly its financial position and the results of its financial operations in accordance with generally accepted accounting principles; the organization has internal accounting and other control systems; and the organization has complied with laws and regulations that may affect its financial statements and the enhancement project.

### **Invoicing**

For reimbursement, the administering agency submits monthly progress payment invoices for work completed on its letterhead to Caltrans Headquarters Local Assistance. As an option, the agency may wait and request full payment with a Final Invoice upon notification of project completion.

Transportation enhancement work that combines bicycle or pedestrian facilities (80 percent Federal share) with other activities (88 percent Federal share) must have segregated billings for the different match ratios.

The administering agency is required to submit separate billings or invoices for work completed and separate final reports of completion for each funding source. For example, a transportation enhancement project that uses Environmental Enhancement and Mitigation funds as a match will be invoiced so that the two funds and their respective reimbursement items are accounted for separately. The administering agency may not bill for donated labor or materials.

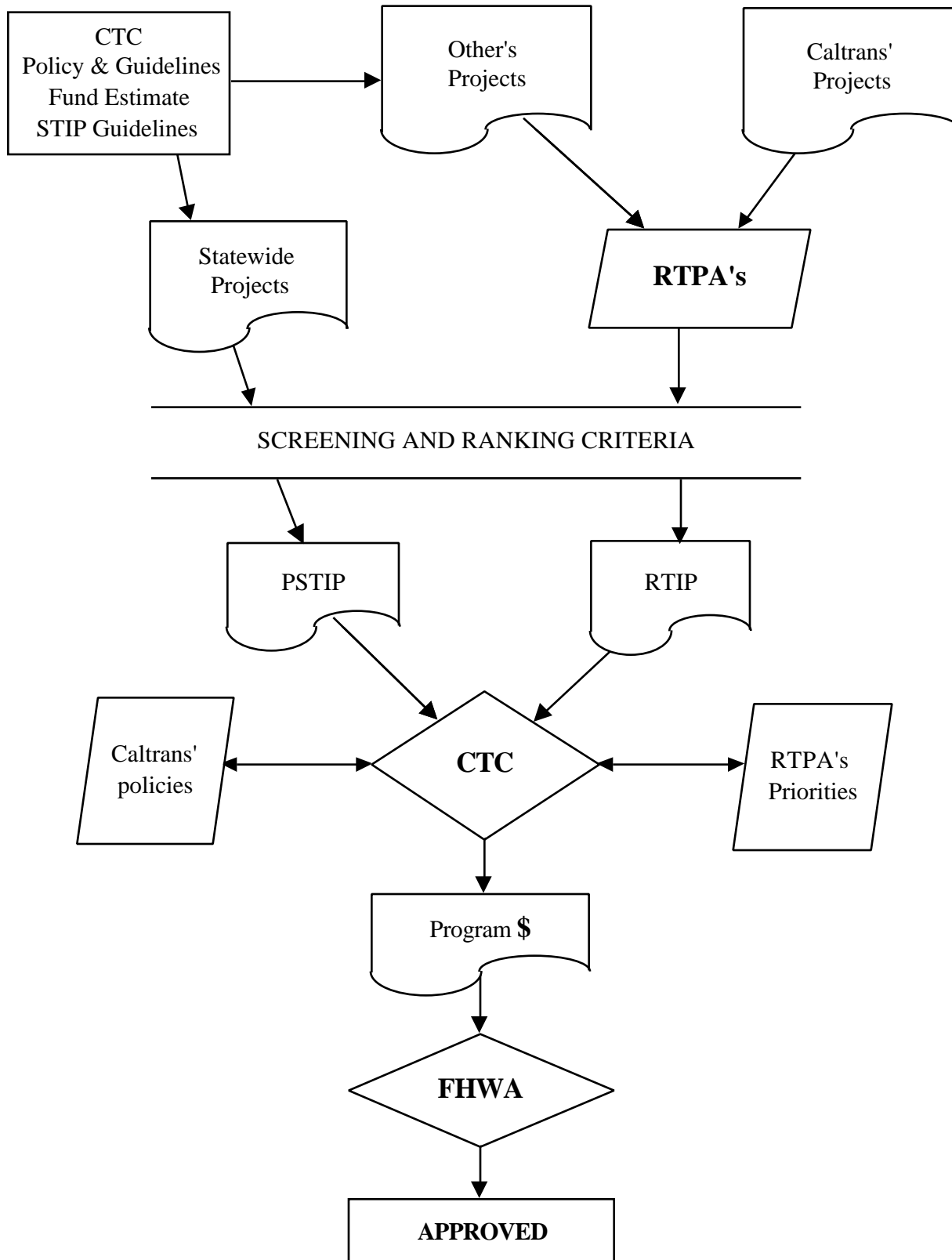
**Federal Transit Administration (FTA) Transfers**

Administering agencies which are transit agencies may request transfer of their transit-related enhancement project from Federal Highway Administration (FHWA) to Federal Transit Administration (FTA). This decision rests with these two agencies. Every project is reviewed by the Federal Highway Administration and the Federal Transit Administration prior to the start of the project. Requests may be made during the field review or before. Transfer is limited to agencies (mostly transit) prequalified by FTA.

**Maintenance and Monitoring**

Administering agencies are generally responsible for maintaining projects into the future. The agency pays for the maintenance effort unless subsequent agreement specifies otherwise. Maintenance costs are not eligible for enhancement funding. The effort is monitored by the Caltrans headquarters' Transportation Enhancement Activities Branch with input from Caltrans District Local Assistance.

Transportation Enhancement Activities  
**FUNDING & APPROVAL PROCESS**



# Section E

## INSTRUCTIONS FOR NOMINATING PROJECTS

### *General Instructions*

#### *Getting Started - Who To Contact*

The administering agency should decide which programming path its project will go through on its way to the Commission, either the local/regional process (RTIP) or the statewide project process (PSTIP). (See discussion on page C-1, Staged Competition and Approval Process.)

At least one month before the applications are due, the administering agency must meet with the Caltrans District Local Assistance Engineer, who will include the District Local Assistance Environmental Planner and District Local Assistance Right of Way Agent (acquisition), District Landscape Architect (plantings, pedestrian or bicycle facilities, aesthetic treatments), District Art Coordinator (art), as required, for pre-application assistance with project scope, cost, and implementation procedures. This meeting will be coordinated through the Local Assistance Engineer. Applicants for statewide projects should confer with the Headquarters Area Engineer.

#### *About the Application Form*

The application form is under separate cover. The application has several parts for the administering agency to fill out: parts One through Four. "Part Five - Early Coordination with Caltrans" sheets are filled out by Caltrans District staff during the pre-application meeting between the administering agency and Caltrans. In addition to this application package, each Regional Transportation Planning Agency fills out a Commission Fact Sheet (not included in these Guidelines) on each prioritized project. It summarizes the application information in a consistent way for the California Transportation Commission review.

The application passes through many hands. First, the application is the standardized form used by the administering agency to nominate projects to the Regional Transportation Planning Agency. Second, the Caltrans Transportation Enhancement Activities Branch and the Federal Highway Administration use it to check project eligibility. Third, it conveys information to the California Transportation Commission about projects ranked in the Regional Transportation Improvement Programs (RTIPs). Fourth, it is used by the Caltrans District Local Assistance Engineers to oversee project implementation.

All pages in the application will be 8-1/2 x 11 inches, vertical format. All pages should be consecutively numbered. (Foldouts are acceptable.) Pages may be stapled, clipped or bound, preferably so that the application lies flat when opened. Administering agencies are encouraged to keep their applications brief.

Applicants are encouraged to present projects in defined, usable stages (See Commission Policy 10 in Appendix.)

### **Where to Send The Application - Local/Regional Projects**

The administering agency applicant will complete four (4) copies of the application and send them to two (2) places.

Send three (3) copies to the Regional Transportation Planning Agency. (See Who To Contact in the Appendix.) (For projects that are selected by the RTPA, one of these will be sent by the RTPA to the Commission, and another to the Caltrans District Local Assistance office.)

Send one (1) copy to the Caltrans Transportation Enhancement Activities Program. The address is:

Caltrans  
TEA Program  
Office of Landscape Architecture  
1120 N Street, M.S. 28  
Sacramento, California 95814.

### **Where to Send The Application - Statewide Projects**

(For Statewide projects, the administering agency applicant completes and sends four (4) copies of the application to the Caltrans Transportation Enhancement Activities Program (One of these will go the Commission.) The address is the same as above.

### **Deadlines for Submittal**

#### ***Regional Transportation Planning Agencies (RTPAs)***

Applications will be submitted to the RTPA having jurisdiction on or before the RTPA's deadline, usually *October 13, 1995*. This should be verified with each RTPA.

#### ***Statewide Projects***

Applications will be submitted to the Caltrans Transportation Enhancement Activities Program *on or before November 3, 1995*.

Both the regional prioritized lists and the statewide project prioritized list will be sent to the Commission staff by March 15, 1996.

# APPENDIX



## Who To Contact

### CALTRANS DISTRICTS LOCAL ASSISTANCE

**DISTRICT 1**

Jan Ricks  
1656 Union Street  
Eureka, CA 95501  
(P. O. Box 3700) 95502  
(707)445-6399

**DISTRICT 2**

Dick Richards  
1657 Riverside Drive  
Redding, CA 96001  
(P. O. Box 494040) 96049-4040  
(916)225-3489

**DISTRICT 3**

Steve Propst  
703 B Street  
Marysville, CA 95901  
(P. O. Box 911)  
(916)741-5455

**DISTRICT 4**

Herbert Okubo  
111 Grand Avenue  
Oakland, CA 94612  
(P. O. Box 23660) 94623-0660  
(510)286-5223

**DISTRICT 5**

Jerald T. Gibbs  
50 Higuera Street  
San Luis Obispo, CA 93401  
(P. O. Box 8114) 93403-8114  
(805)542-4606

**DISTRICT 6**

Onkar Mukker  
1352 West Olive Avenue  
Fresno, CA 93728  
(P. O. Box 12616) 93778-2616  
(209)445-6797

**DISTRICT 7**

Satish Chander  
120 South Spring Street  
Los Angeles, CA 90012  
(213)897-1587

**DISTRICT 8**

Lewis Flores  
247 West Third Street  
San Bernardino, CA 92401  
(P. O. Box 231) 92402  
(909)383-4030

**DISTRICT 9**

Richard Kaizer  
500 South Main Street  
Bishop, CA 93514  
(619)872-0681

**DISTRICT 10**

Gary Caldwell  
1976 East Charter Way  
Stockton, CA 95205  
(P. O. Box 2048) 95201  
(209)948-3689

**DISTRICT 11**

David Walcott  
2829 Juan Street  
San Diego, CA 92110  
(P. O. Box 85406) 92186-5406  
(619)688-6778

**DISTRICT 12**

Saied Hashemi  
2501 Pullman Street  
Santa Ana, CA 92705  
(714)724-2525

**STATEWIDE PROJECTS**

Al Raymond  
(916) 653-9151

## CALTRANS DISTRICT BOUNDARY MAP



## Metropolitan Planning Organizations (MPOs) & Regional Transportation Planning Agencies (RTPAs)



**Regional Transportation Planning Agencies**

ALPINE COUNTY TRANSPORTATION COMMISSION  
50 Diamond Valley Rd.  
Markleeville, CA 96120  
Mr. Leonard Turnbeaugh, Executive Secretary

Alpine  
(916) 694-2255  
FAX: (916) 694-2214

AMADOR COUNTY LOCAL TRANSPORTATION COMMISSION  
135 Summit Ave., Suite 5  
Jackson, CA 95642-2313  
Mr. Eric Outfleet, Executive Director

Amador  
(209) 223-0973  
FAX: (209) 223-2065

BUTTE COUNTY ASSOCIATION OF GOVERNMENTS  
1849 Robinson St.  
Oroville, CA 95965  
Mr. Jon A. Clark, Executive Director

Butte  
(916) 538-6866  
FAX: (916) 538-6868

CALAVERAS COUNTY TRANSPORTATION COMMISSION  
Department of Public Works  
Government Center  
891 Mountain Ranch Rd.  
San Andreas, CA 95249  
Mr. Donald MacVicar, Executive Director

Calaveras  
(209) 754-6402  
FAX: (209) 754-6566

COLUSA COUNTY TRANSPORTATION COMMISSION  
1215 Market Street  
Colusa, CA 95932  
Mr. Russell Gum, Executive Director

Colusa  
(916) 458-5186  
FAX: (916) 458-2035

COUNCIL OF FRESNO COUNTY OF GOVERNMENTS  
2100 Tulare Street, Suite 619  
Fresno, CA 93721  
Ms. Barbara Goodwin, Executive Director

Fresno  
(209) 233-4148  
FAX: (209) 233-9645

DEL NORTE LOCAL TRANSPORTATION COMMISSION  
983 Third Street, Suite E  
Crescent City, CA 95531  
Ms. Kathryn Mathews, Transportation Coordinator

Del Norte  
(707) 465-3878  
FAX: Same

EL DORADO COUNTY TRANSPORTATION COMMISSION  
166 Broadway, Suite E  
Placerville, CA 95667  
Mr. Matt Boyer, Executive Director

El Dorado (excluding  
the Tahoe Basin)  
(916) 642-5260  
FAX: (916) 642-5266

GLENN COUNTY TRANSPORTATION COMMISSION  
777 North Colusa Street  
Willows, CA 95988  
Mr. John Joyce, Executive Director

Glenn  
(916) 934-6530  
FAX: (916) 934-6533

HUMBOLDT COUNTY ASSOCIATION OF GOVERNMENTS  
235 4th Street, Suite F  
Eureka, CA 95501-0366  
Mr. Spencer Clifton, Executive Officer

Humboldt  
(707) 444-8208  
FAX: (707) 444-8319

IMPERIAL VALLEY ASSOCIATION OF GOVERNMENTS  
940 West Main Street Suite 208  
El Centro, CA 92243  
Mr. Richard Inman, Regional Council Coordinator

Imperial  
(619) 339-4290  
FAX: (619) 352-7876

INYO COUNTY TRANSPORTATION COMMISSION  
Inyo County Courthouse  
P. O. Drawer Q  
168 North Edwards  
Independence, CA 93526  
Mr. James H. Gooch, Executive Director

Inyo  
(619) 878-2411  
FAX: (619) 878-2001  
FAX: (619) 878-2712

KERN COUNCIL OF GOVERNMENTS  
1401 - 19th Street, Suite 200  
Bakersfield, CA 93301  
Mr. Ronald E. Brummett, Executive Director

Kern  
(805) 861-2191  
FAX: (805) 324-8215

KINGS COUNTY REGIONAL PLANNING AGENCY  
Kings County Government Center  
1400 W. Lacey Boulevard  
Hanford, CA 93230  
Mr. Bill Zumwalt, Executive Secretary

Kings  
(209) 582-3211  
Extension 2670  
FAX: (209) 584-8989

LAKE COUNTY/CITY AREA PLANNING COUNCIL  
160 Fifth Street  
Lakeport, CA 95453  
Mr. William Kranz, Executive Director

Lake  
(707) 263-5441  
FAX: (707) 263-1826

LASSEN COUNTY TRANSPORTATION COMMISSION  
County Administration Building  
707 Nevada Street  
Susanville, CA 96310  
Mr. John D. Mitchell, Executive Secretary

Lassen  
(916) 257-8288  
  
FAX: (916) 257-4671

LOS ANGELES COUNTY MTA  
P. O. Box 194  
Los Angeles, CA 90053  
Mr. Franklin E. White, Chief Executive Director

Los Angeles  
(213) 972-6000  
FAX: (213) 244-6014

MADERA COUNTY TRANSPORTATION COMMISSION  
411 North 'I' Street, Suite A  
Madera, CA 93637  
Mr. Robert Stone, Executive Secretary

Madera  
(209) 675-0721  
FAX: (209) 675-4898

MARIPOSA COUNTY LOCAL TRANSPORTATION COMMISSION  
4639 Ben Hur Road  
(P. O. Box 784)  
Mariposa, CA 95338  
Mr. Michael Edwards, Asst. Executive Director

Mariposa  
(209) 966-5356  
FAX: (209) 966-2828

MENDOCINO COUNCIL OF GOVERNMENTS  
215 W. Standley Street  
Ukiah, CA 95482  
Ms. Mary Hiatt, Executive Secretary

Mendocino  
(707) 463-4470  
FAX: (707) 468-8398

MERCED COUNTY ASSOCIATION OF GOVERNMENTS  
1770 M Street  
Merced, CA 95340  
Mr. Jesse Brown, Executive Director

Merced  
(209) 723-3153  
FAX: (209) 723-3299

METROPOLITAN TRANSPORTATION COMMISSION (MTC)  
Metro Center  
101 8th Street  
Oakland, CA 94607-4700  
Mr. Lawrence D. Dahms, Executive Director

Alameda, Contra Costa,  
Marin, Napa, San Francisco  
San Mateo, Santa Clara,  
Solano and Sonoma  
(510) 464-7700  
FAX: (510) 464-7848

MODOC COUNTY TRANSPORTATION COMMISSION  
202 West 4th Street  
Alturas, CA 96101  
Mr. John Fisher, Executive Director

Modoc  
(916) 233-6411  
FAX: (916) 233-3132

MONO COUNTY LOCAL TRANSPORTATION COMMISSION  
P. O. Box 8  
Annex 1, corner of School/Bryant Sts.  
Bridgeport, CA 93517  
Mr. Scott Burns, Executive Director

Mono  
(619) 932-5217  
FAX: (619) 932-7145

TRANSPORTATION AGENCY FOR MONTEREY COUNTY  
312 E. Alisal Street  
Salinas, CA 93901  
Mr. Gerald J. Gromko, Executive Director

Monterey  
(408) 755-4812  
FAX: (408) 755-4957

NEVADA COUNTY LOCAL TRANSPORTATION COMMISSION  
101 Providence Mine Road, Suite 102  
Nevada City, CA 95959  
Mr. Dan Landon, Executive Director

Nevada  
(916) 265-3202  
FAX: (916) 265-3260

ORANGE COUNTY TRANSPORTATION COMMISSION  
P.O. Box 14184  
Orange, CA 92613-1584  
Mr. Stan Oftelie, Executive Director

Orange  
(714) 560-5749  
FAX: (714) 560-5794

PLACER COUNTY TRANSPORTATION PLANNING AGENCY  
Public Works Administration  
853 Lincoln Way, Suite 109  
Auburn, CA 95603  
Mr. Tim Douglas, Executive Director

Placer (excluding  
Tahoe Basin)  
(916) 823-4030  
FAX: (916) 823-4036

PLUMAS COUNTY TRANSPORTATION COMMISSION  
1834 E. Main Street  
Quincy, CA 95971  
Mr. Martin Byrne, Executive Director

Plumas  
(916) 283-6268  
FAX: (916) 283-6323

RIVERSIDE COUNTY TRANSPORTATION COMMISSION  
3560 University Avenue, Suite 100  
Riverside, CA 92501  
Mr. Jack Reagan, Executive Director

Riverside  
(909) 787-7141  
FAX: (909) 787-7920

SACRAMENTO AREA COUNCIL OF GOVERNMENTS  
3000 S Street, Suite 300  
Sacramento, CA 95816  
Mr. Mike Hoffacker, Executive Director

Sacramento, Sutter  
Yolo and Yuba  
(916) 457-2264  
FAX: (916) 457-3299

SAN BENITO COUNTY COUNCIL OF GOVERNMENTS  
3220 Southside Road  
Hollister, CA 95023  
Mr. Max Bridges, Executive Director

San Benito  
(408) 637-3725  
FAX: (408) 636-8746

SAN BERNARDINO COUNTY TRANSPORTATION COMMISSION  
c/o San Bernardino Associated Governments  
472 North Arrowhead Avenue  
San Bernardino, CA 92401  
Mr. Wesley C. McDaniel, Executive Director

San Bernardino  
(909) 884-8276  
FAX: (909) 885-4407

SAN DIEGO ASSOCIATION OF GOVERNMENTS  
First Interstate Plaza  
401 B Street, Suite 800  
San Diego, CA 92101  
Mr. Kenneth E. Sulzer, Executive Director

San Diego  
(619) 595-5300  
FAX: (619) 595-5305

SAN JOAQUIN COUNTY COUNCIL OF GOVERNMENTS  
102 South San Joaquin  
(P.O. Box 1010)  
Stockton, CA 95201-1010  
Mr. Barton R. Meays, Executive Director

San Joaquin  
(209) 468-3913  
FAX: (209) 468-1084

SAN LUIS OBISPO COUNCIL OF GOVERNMENTS  
1150 Osos St., Suite 202  
San Luis Obispo, CA 93401  
Mr. Ronald L. DeCarli, Executive Director

San Luis Obispo  
(805) 781-4219  
FAX: (805) 781-5703

SANTA BARBARA COUNTY ASSOCIATION OF GOVERNMENTS  
222 East Anapamu Street, Suite 11  
Santa Barbara, CA 93101  
Mr. Gerald R. Lorden, Executive Director

Santa Barbara  
(805) 568-2546  
FAX: (805) 568-2947

SANTA CRUZ COUNTY REGIONAL  
TRANSPORTATION COMMISSION  
701 Ocean Street, Room 220  
Santa Cruz, CA 95060-4071  
Ms. Linda Wilshusen, Executive Director

Santa Cruz  
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## **References to Authority**

In late 1991, Congress drafted and the President signed into law the Intermodal Surface Transportation Efficiency Act (ISTEA). A component of ISTEA is the Transportation Enhancement Activities Program, a 10 percent set-aside from the Surface Transportation Program funding category. Section 1007(a) of this Act defines the 10 categories of activities which qualify.

ISTEA has become part of Title 23 of the United States Code. Section 101 says, “The term ‘transportation enhancement activities’ means, with respect to any project or the area to be served by the project, provision of facilities for pedestrians and bicycles, acquisition of scenic easements and scenic or historic sites, scenic or historic highway programs, landscaping and other scenic beautification, historic preservation, rehabilitation and operation of historic transportation buildings, structures, or facilities (including historic railroad facilities and canals), preservation of abandoned railway corridors (including the conversion and use thereof for pedestrian or bicycle trails), control and removal of outdoor advertising, archaeological planning and research, and mitigation of water pollution due to highway runoff.”

Section 133(d)(2) sets aside 10 percent of Surface Transportation Program funds: “*FOR TRANSPORTATION ENHANCEMENT ACTIVITIES.--10 percent of the funds apportioned to a State under section 104(b)(3) for a fiscal year shall only be available for transportation enhancement activities.*”

Senate Bill 1435, passed by California’s legislature and signed by the Governor in 1992, establishes the process and responsibility for ISTEA programs in California.



## ***Draft-Revised***

### **Commission Program Policies**

1. Program basis: The Commission establishes, **linked to the STIP**, ~~within the STIP~~ a Transportation Enhancement Activities (TEA) program, programmed with Federal funds from the 10 percent share required for transportation enhancement activities within the Surface Transportation Program under ISTEA plus required State or local match funds.

2. Regional and Caltrans' roles: The Commission programs projects into the STIP only from Regional Transportation Improvement Programs (RTIPs) or Caltrans' Proposed STIP (PSTIP). In general, most projects should come to the Commission through a regional agency and its RTIP.

The Commission will accept and consider nominations for projects of a statewide nature from Caltrans through its PSTIP. Projects of a statewide nature can be accepted from an agency with jurisdiction and facilities or activities across more than one region, and can include a grouping of related or like projects as long as the grouping is an integral element of a broader program, master plan, or interregional system. Neither statewide interest nor broad visitor use alone are grounds to define a project of statewide nature if the project is located within a single region.

3. Project relationship: Transportation enhancement activities projects must be related by proximity, function, or impact to the State's intermodal transportation system. The Commission may decide to give priority to projects which have a relationship to a State highway, local street or road, rail line, or other transportation facility eligible for funding under the Federal surface transportation program, **or to projects which can be linked to transportation improvements being funded under that program.**

4. Eligibility and evaluation: Projects must be found eligible under screening criteria in the guidelines for the transportation enhancement activities program, and must be **rated and compared** evaluated at the regional level using statewide ranking criteria from the guidelines for the transportation enhancement activities program.

5. Priority: Projects must be nominated to the Commission in priority order. Regional agencies shall determine priority order for projects in Regional TIPs, and Caltrans in consultation with other State and Federal agencies shall determine priority order for projects of a statewide nature nominated through the PSTIP, using statewide ranking criteria from the guidelines for the transportation enhancement activities program.

6. Available funding: The Commission identifies funding levels available for the transportation enhancement activities program, including State match funding, through the Fund Estimate adopted by the Commission for the next STIP.

Funding for the transportation enhancement activities program must be distributed according to the south/north split and county minimums. Accordingly, funding for new projects must be divided 60% south and 40% north, as specified in Streets & Highways Code Section 188, in effect making two separate programs.

7. Program schedule: The transportation enhancement activities program **ideally should extend three years ahead**, ~~typically will cover three years~~, with new programming biennially adding projects in the second and third year. Because initial programming had to be done in arrears, for years prior, the Commission expects to catch up to this schedule **no earlier than** ~~by~~ the 1998 STIP.

### **Program Nomination Policies**

8. Limits on nominations: To keep the number of projects nominated to a realistic number that might be competitive for funding, the Commission makes available the following bid targets for regional agencies and Caltrans:

- for regional agencies, a dollar target of 1.5 times the region's county minimum percentage share among all counties south or north multiplied by the total south or north programming amount,  
or  
a total of three projects regardless of cost;
- for Caltrans, a total of 1.5 times 10% of the total statewide programming amount, or three projects of a statewide nature.

Bid targets define the amount of project nominations that the Commission will accept and consider. They are neither ~~not~~ an indication nor a guarantee of funding levels, since the total of all bid targets statewide considerably exceeds the funding available. Projects considered by regional agencies or Caltrans which fall beyond the bid targets **may** ~~will~~ be displayed to the Commission for informational purposes on a list, not necessarily in priority order, but are not available for programming by the Commission.

9. Use of bid targets: A region or Caltrans may bid any combination of projects up to its bid target dollar total, in priority order, and may exceed the target if necessary to nominate full funding for the lowest priority project.

~~10. Grandfathered projects: Existing projects in the State program and existing activities in Caltrans' budget that are eligible under the transportation enhancement activities program are to be grandfathered into the program, unless the applicant agency desires to withdraw the project. Existing project or activity funding shall be credited against and deducted from the funds available for programming.~~

~~11.~~ **10. Project size and stages**: The Commission sets no maximum project size or cost, but suggests that regions propose projects with a realistic cost compared to their county minimum share. The Commission **suggests a** ~~sets no~~ minimum project size or cost **of \$100,000, but will consider**

**projects of unusual merit between \$50,000 and \$100,000** and advises regions that small projects (probably below a cost of about \$100,000), **because experience has shown** ~~may not be worth~~ the administrative overhead cost, which includes Federal review, Federal project standards, and record keeping for a post-project audit, **generally to be too burdensome for projects of less than \$100,000 size.**

Although the Commission generally prefers to program entire projects, the Commission strongly encourages project applicants to present projects in defined usable stages, in case an increment of funding is available only for less than a full project, or for other reasons such as ineligibility or urgency of particular project elements.

12. **11. Regional review of statewide projects:** The Commission expects Caltrans to obtain an expression of regional position on all statewide projects, from all regional agencies affected by a statewide project, and attach the position(s) to the project applications submitted through the PSTIP.

13. **12. Nomination schedule:** Project nominations, **in the form of amended** ~~in~~ Regional TIPs [and Caltrans' PSTIP] are due to the Commission by **March** ~~December~~ 15 of **even** ~~odd~~-numbered years, **except that regional agencies must submit to Caltrans by January 10 any applications that contain projects or project features of unknown or questionable eligibility under these program guidelines, to allow time for review and determination of the extent of eligibility before the Commission considers the project.** ~~by State law.~~ Project applications are due to regional agencies by a date specified by each regional agency (generally around October 15, except typically earlier in urban metropolitan regions), and to Caltrans by November 10 for statewide projects, ~~by August 15 (or later if specifically permitted by the regional agency or Caltrans),~~ to allow time for evaluation, ranking, and public review.

13. **Partnership Cooperation:** This program must involve cooperation among project applicants, local, regional, State, and Federal agencies. The Commission may refuse without prejudice to program or fund projects that bypass requirements of any partner agencies as spelled out in these guidelines.

### **Commission Programming Policies**

14. **Commission process:** The Commission will follow the following process:

- receive project nominations;
- receive letters and other communications supporting (or opposing) nominated projects;
- hold a public hearing on the program, to hear testimony from those agencies nominating projects;

- receive programming recommendations from its staff consisting of a slate of projects that match the amount of money available for programming; and
- consider information presented and heard, and adopt a program.

15. Program balance: The Commission states its intent to distribute programming geographically around the State and to seek balance among various types of projects that are eligible, consistent with cost effectiveness of projects.

16. Priorities in programming: The Commission intends to follow regional priorities if the region chooses to bid by its county minimum share dollar bid target, insofar as it may program projects in that region, up to the region's percentage share among south or north counties, except that the Commission may skip over a high cost project if it cannot afford that level of programming in the region. Beyond this guideline, the Commission may choose any project lower on a regional priority list, based on statewide interest or importance.

The Commission must examine and consider Caltrans' statewide priorities, but may choose any project(s) on the statewide program list based on statewide or regional interest or importance.

17. County minimums: Although transportation enhancement activities projects count against county minimums, the Commission intends that no region get a disproportionate share of its county minimum as enhancement projects, at the expense of transportation improvements. The Commission will not remove transportation projects from the STIP in favor of transportation enhancement activities projects, except by request of the region.

18. Other programming factors: The Commission will consider other factors in its programming decisions, including project justification, relative merit and cost effectiveness, potential economic stimulus, ancillary value for transportation, one-time opportunity, project uniqueness, Federal eligibility risks, statewide interest, linkage with other programs, and project commitment and support. The Commission does not intend to recalculate to a State norm the statewide ranking criteria that were used at the regional level, but may use any of the information used in the regional ranking in its examination and programming of projects.

19. Partial programming: The Commission may provide partial funding of projects that can result in usable work, and the Commission may consider the availability of other funding in its decisions.

20. Application form: The Commission requires all projects to be submitted by regional agencies or Caltrans with an application form prescribed in the guidelines for the transportation enhancement activities program, to provide a common base of information for Commission evaluation. On the application form, the Commission expects and needs a clear description of the project (project development, right of way, construction, equipment, or activities for which the funds will be spent), clear identification of the source and commitment of matching funds, and a commitment to maintain and operate the project as appropriate.

21. Additional information: The Commission may ask project applicants for further information to help evaluate projects before programming, but may drop from consideration without prejudice projects with seriously incomplete or unclear applications.
22. Matching funds: **Project applicants must identify a source(s) of match for the Federal funds committed to the project.** ~~The Commission shall use existing match funds for any project grandfathered into the initial program.~~ The Commission can program State match funds for projects related to State transportation facilities, expects local match funds to be nominated for projects related to local transportation facilities, and may approve a mix of State and local match funds for projects that are related to both State highways and local streets or roads, to an amount agreed between Caltrans and the regional agency.



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Santa Clara, Santa Cruz,  
Solano, Sonoma, Yolo

Butte, Glenn, Lassen, Modoc,  
Plumas, Shasta, Sierra,  
Siskiyou, Sutter, Tehama,  
Trinity

Amador, El Dorado, Nevada,  
Placer, Sacramento, Yuba

Alpine, Calaveras, Mariposa,  
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## **Right of Way Checklist**

Any project can have a right of way issue. Sometimes, the question of whether or not right of way needs to be acquired is answered at the field review or during the preliminary engineering phase.

What is right of way? Generally, it is the right to pass over another's land. More specifically, it is real property needed for a public project. The right to pass over another's land for the public project must be "acquired" or transferred to the public agency in some manner.

The need for property can be permanent or temporary, in fee (control of all rights) or in easement (use of some of the rights), and be a direct or indirect result of the project.

Some right of way issues are created when the need for real property is affected by the following:

- Design requires all or a portion of property for the construction of the project (acquisition).
- Project design eliminates access to or from an individual's real property.
- Need for a temporary right to cross the property during construction of the project (temporary construction easement).
- Need to relocate utility service lines or facility outside of the project area (utility relocation).
- Need to purchase or build a replacement structure for an occupant being displaced by the project (relocation assistance).
- Owners want to privately develop their own property and the local jurisdiction requires some part of the property be dedicated for future right of way.
- Owner wants to assist the local jurisdiction by providing property for the public project and is willing to do so for little or no payment (donation).
- Environmental process requires the investigation of possible Native American burial sites, hazardous wastes, endangered animals on private property (permit).
- Need to construct driveways or other approaches onto the property of adjoining owners (permit to enter).
- Need to investigate and or remove hazardous materials and waste.
- Operating railroad facility needs to be moved or crossed or modified.

- Need to enter onto property for a limited period of time (right of entry).
- Project as determined by a court ruling only after an occupant filed an inverse condemnation or a relocation assistance appeal.

Project applicants are encouraged to contact their Caltrans District for additional information about the Right of Way phase of a transportation enhancement activities project.

## **Transportation Enhancement Activities Advisory Council**

### **Advisory Council's Purpose**

The purpose of the advisory council is twofold. The first is to identify issues from the perspective of the respective agencies, groups and organizations they represent for the Caltrans Transportation Enhancement Activities Program Manager to consider, such as "Was the previous cycle effective? Second, the council communicates changes in program direction and new information generated at council meetings to their respective agencies, groups and organizations. The council is not involved in evaluating specific project applications or selecting projects, but recommends standards, criteria, and guidelines for project selection.

### **Council Membership**

The Transportation Enhancement Activities Advisory Council has 40 seats total with approximately 20 members representing private interest groups and the remaining members from public agencies (Federal, State, regional, county, city, special districts). Initially, terms of office were from one to three years; thereafter, new member terms are two years. Members may serve consecutive terms. Nominations for the advisory council are accepted on April 1 of each year.

Final selection of council members is determined by the Director of the Department of Transportation from the applications received. Members are selected based on their:

- experience in the field they represent
- scope of representation
- support of their agency or organization, and
- number of people the member will represent.

### **Mode of Operations**

The Transportation Enhancement Activities Advisory Council meets as necessary to fulfill the above functions, approximately three or four times a year. Meetings are usually held in Sacramento.



## Definition of Terms

This glossary provides definitions for the major terms used in the program. Although its contents are explained in a variety of other Caltrans documents, this document constitutes a convenient reference, since it brings them together in one place.

**Acquisition** - the act or process of acquiring fee title or interest other than fee title of real property (including the acquisition of development rights or remainder interest).(From Sec of Interior's Standards for Historic Preservation Projects)

**Administering agency** - The public agency responsible under agreement with Caltrans for implementing the project in accordance with Federal and State laws and regulations. The administering agency is responsible for the long-term maintenance of the project.

**Americans with Disabilities Act of 1990 (ADA)** - Public Law 101-336; The ADA is a comprehensive law prohibiting discrimination against people with disabilities in employment, public transportation, telecommunications and public accommodations. It extends to persons with disabilities similar comprehensive civil rights protections provided to persons on the basis of race, sex, national origin and religion under the Civil Rights Act of 1964. In regard to physical accessibility, ADA extends the intent of the Architectural Barriers Act to cover all public facilities regardless of Federal funding.

**Applicant** - The administering agency may apply for and receive reimbursement from this program.

**California Environmental Quality Act (CEQA)** - To qualify for State funds projects must comply with requirements of the California Environmental Quality Act (CEQA), which are somewhat different than the corresponding Federal law, the National Environmental Policy Act.

**California Register of Historical Resources** - Authoritative inventory guide of important historical resources in California, used to identify the State's historical resources and to indicate what properties are to be protected, to the extent prudent and feasible, from substantial adverse change. (See Information Center of the California Historical Resources File System in Appendix.)

**Commission - California Transportation Commission** - A commission which advises and assists the Secretary of Business, Transportation, and Housing Agency and the Legislature in formulating and evaluating State policies and plans for transportation programs in the State. The Commission is the ultimate decision-maker in the transportation enhancement activities program. It approves projects in the program, and adopts the State Transportation Improvement Program (STIP).

**Construction Phase** - The construction phase includes advertising the project, awarding the contract and performing construction.

**Executive Order W-26-92** - Directs each state agency to ensure that the protection of significant heritage resources are given full consideration in all of its land use and capital outlay decisions.

**FNM 76** - "Federal Approval and Authorization to Proceed", a form through which Caltrans secures the Federal project approval and authorization from the Federal Highway Administration. The document does two things: obligates funds and authorizes expenditures on a given phase of a Federal-aid project.

**FSTIP** - Federal State Transportation Improvement Program - A document listing of those improvement projects from the transportation plan to be federally funded.

**Fund Estimate** - Document from the Commission that defines the size of the program.

**FY** - Fiscal year, July 1 through June 30. The State follows this fiscal year.

**Historic Preservation**- see "Preservation".

**In-kind contributions** - Refers to the portion of allowable project costs that are contributed by other government agencies or private parties. See page B-13.)  
**Intermodal Transportation System** - All forms of transportation in a unified, interconnected manner.

**Master Agreement** - The Local Agency - State Master Agreement is a formal document between these two entities covering the general requirement of all Federal-aid projects relative to the prosecution of the project and to the maintenance of the completed facilities. It is accompanied by a Program Supplemental Agreement.

**Metropolitan Planning Organization (MPO)**- To carry out the transportation planning process required by ISTEA, an MPO is designated for each urbanized area of more than a 50,000 population.

**Mode** - A single method of transportation, such as bicycle, pedestrian, or motorized vehicle.

**National Environmental Policy Act** - The National Environmental Policy Act (NEPA) requires environmental clearance of Federal-aid projects, which may take one of three forms: Categorical Exclusion; Finding of No Significant Impact; or Environmental Impact Statement. The corresponding State Act is the California Environmental Quality Act.

## Definition of Terms

National Historic Preservation Act of 1966, as amended - (Public Law 102 - 575) - The Act establishes the National Register of Historic Places and requires Federal agencies, including FHWA, to ensure compliance with Section 106 of the Act.

National Register of Historic Places - Authorized under the National Historic Preservation Act of 1966, the National Register is the official Federal listing of the nation's cultural resources worthy of recognition and preservation.

Overmatch - A greater percentage than required of non-Federal funds is used to match Federal dollars within the transportation enhancement activities total cost.

Preliminary Engineering Phase - The preliminary engineering phase includes preparation of environmental documentation and preparation of construction documents (plans, specifications, and cost estimate). Preliminary right of way work, appraisal maps and estimates may also be reimbursed from preliminary engineering phase moneys.

Preservation - The act or process of applying measures to sustain the existing form, integrity, and material of a building or structure, and the existing form and vegetative cover of a site. It may include initial stabilization work, where necessary, as well as ongoing maintenance of the historic building materials. (Secretary of the Interior's Standards for Historic Preservation Projects)

Proposition 116 - In June 1990, the voters approved proposition 116, the State's Clean Air and Transportation Improvement Act, which has five grant programs:

1. Rail
2. Non-urban County Transit
3. Waterborne ferry
4. Bicycle
5. State Rail Technology Museum

The intent is to reduce traffic congestion and air pollution and provide better transportation options for all Californians through feasible, cost-effective capital programs.

Program Supplemental Agreement - The Supplemental Agreement is a formal document which supplements the Master Agreement and includes special covenants to provide for specific requirements for the project that are not included in the Master Agreement.

**Protection** - The act or process of applying measures designed to affect the physical condition of a property by defending or guarding it from deterioration, loss or attack, or to cover or shield the property from danger or injury. In the case of buildings and structures, such treatment is generally of a temporary nature and anticipates future historic preservation treatment; in the case of archeological sites, the protective measure may be temporary or permanent. (Secretary of the Interior's Standards for Historic Preservation Projects)

**PSTIP** - Proposed State Improvement Program - For transportation enhancement activities, a document listing those projects of statewide interest having no geographic 'home'. The PSTIP is prioritized by Caltrans and submitted to the Commission as candidates for inclusion in the STIP.

**Rehabilitation** - The act or process of returning a property to a state of utility through repair or alteration which makes possible an efficient contemporary use while preserving those portions or features of the property which are significant to its historical, architectural, and cultural values. (Secretary of the Interior's Standards for Historic Preservation Projects)

**Restoration** - The act or process of accurately recovering the form and details of a property and its setting as it appeared at a particular period of time by means of the removal of later work or by the replacement of missing earlier work. (Secretary of the Interior's Standards for Historic Preservation Projects)

**Right of Way Phase** - The right of way phase is included when: utilities will be relocated; a purchase, easement or lease is involved; an operating railroad facility will be crossed or modified; an occupant or business will be relocated; or an access issue is involved

**RTIP** - Regional Transportation Improvement Program - A document listing those projects adopted by regional agencies and submitted to the Commission as candidates for inclusion in the STIP, representing all areas of the State, including rural areas.

**RTPA** - Regional Transportation Planning Agency - Transportation planning agencies and county transportation commissions. The RTPA with authority for activity screening and scoring shall be the same agency established for other ISTEA funds in Senate Bill 1435 (1992).

**"Secretary of the Interior's Standards and Guidelines for Archeology and Historic Preservation"** - Document providing technical advice about archaeological and historic preservation activities and methods, prepared under the authority of the National Historic Preservation Act of 1966 (Federal Register, September 29, 1983 - 48 FR 44716).

**"Secretary of the Interior's Standards and Guidelines for the Treatment of Historic Properties"** - Standards developed by the National Park Service for use in the treatment of exteriors and interiors, landscape features, objects, sites, and districts listed on or determined eligible for the National Register.

Soft match - Refers to instances where the value of activities accomplished away from the project are credited toward the non-Federal share of project.

Stabilization - The act or process of applying measures designed to reestablish a weather-resistant enclosure and the structural stability of an unsafe or deteriorated property while maintaining the essential form as it exists at present. (From Sec of the Interior's Standards for Historic Preservation Projects)

STIP - State Transportation Improvement Program - A document listing of all major capital outlay projects as determined by the California Transportation Commission to be funded from State transportation funds allocated by the Commission. A biennial seven-year programming document adopted by the Commission. The STIP is a schedule for project delivery which specifies the year of delivery as well as the current and escalated cost. The Commission must adopt and submit the STIP to Legislature no later than April 1 of each even-numbered year.

Title 23, U.S. Code - The United States Code, Title 23, is the volume of Code of Federal Regulations whose purpose is to implement and carry out the provisions of Federal law relating to the administration of Federal aid for highways. It is the legislative foundation supporting the process for developing local projects with Federal funds.

Uniform Act - The Uniform Relocation Assistance and Real Property Acquisition Policies Act as amended-the Federal act covering acquisition processes. See pages B-18 and D-12.

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# Section A

## PROGRAM BACKGROUND

**Note:** The following chapter has been revised because the new Local Programs Manual has replaced most of the guidelines that were published earlier. Changes are noted with strikethru of the old and new wording initialized. Please revise your copy of the guidelines as noted.

### About the Program(page A-2)

California may receive more than \$200 million over a 6 year period (which started with the 1992 Federal fiscal year) for transportation enhancement activities from the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). This represents a 10 percent set-aside of one of the ISTEA programs, the Surface Transportation Program funds. This money is available only for transportation enhancement activities.

Administering agencies (those receiving Federal-aid funds for transportation enhancement activities) have found it to be in their best interest to be aware of the procedures and requirements for developing Federal-aid projects. These are substantially more involved in time and money than the requirements for claiming State funds. Agencies unfamiliar with the requirements of Title 23, United States Code are encouraged to obtain and review copies of Caltrans' Local Streets and Roads booklets, which are summaries of detailed processes in the Local Programs Manual, a 3-volume set:

- Process Guide: Procedures for Developing Federal-Aid Highway Projects on Local Streets and Roads,
- Environmental Analysis: Procedures for Developing Local Federal-Aid Highway Projects,
- Right of Way: Procedures for Developing Local Federal-Aid Highway Projects, and
- Consultant Selection: Procedures for Selecting Consultants for Federal-Aid Highway Projects on Local Streets and Roads. review the *Local Assistance Procedures Manual*.

A new Local Programs Manual will be published in summer 1995. It will be important for administering agencies to become familiar with implementation changes contained in it. The booklets, for a nominal fee, and Manual, for a more expensive fee, can be obtained from:

—— PUBLICATIONS UNIT  
—— 1900 Royal Oaks Drive  
—— SACRAMENTO CALIFORNIA 95815.

Also, the Manual, the Federal Highway Administration's Draft Cross-Cutting Federal Requirements August 1994, these guidelines and the application forms will be available electronically through the Internet at the Caltrans Home Page ([www.dot.ca.gov](http://www.dot.ca.gov)) in August 1995.

## Section B

# ELIGIBILITY

**Note:** Certain chapters in Section B have been revised to reflect the reengineered local assistance procedures. Changes are noted with strikethru of the old and new wording initialized. Please revise your copy of the guidelines as noted.

### **Eligible Costs** (page B-11)

The applicant must prepare an accurate cost estimate for proposed transportation enhancement activities. Agencies unfamiliar with the kinds of costs incurred on Title 23 Federal-aid projects that are eligible for reimbursement should refer to the Local ~~Streets and Roads~~ *booklets Programs Manual* and must confer with their Caltrans District prior to the application deadline (see page E-1.)

Transportation enhancement activities funds are reimbursable Federal-aid moneys, subject to all the requirements of Title 23 *and other applicable*, United States Code. They are for capital improvements. Feasibility study projects are ineligible, which of themselves provide no enhancement to the public. If a study shows the project to be feasible and a financial plan shows a credible source of operating funds, capital phases may be eligible for enhancement funds. These include preliminary engineering (including environmental studies), real property acquisition, and construction costs associated with conducting an eligible activity. These funds are not to be used for program planning; however, they may be used for archaeological planning projects.

Improvements to private property and commercial facilities are not eligible, but may include properties for public use, owned by a public not-for-profit corporation.

Many projects are a mix of elements, some on the list of 10 categories and some not. Those project elements which are on the list may be counted as transportation enhancement activities. For example, a rest area might include an adjacent historic site purchased and developed as an interpretive site illustrating local history. The historic site purchase and development qualifies as a transportation enhancement activity.

Activities which are not explicitly on the list might qualify if they are an integral part of a larger qualifying activity. For example, if the rehabilitation of a historic railroad station required the construction of new drainage facilities, the entire project could be considered a transportation enhancement activity. Similarly, environmental analysis, project planning, design, land acquisition, and construction activities necessary for implementing qualifying transportation enhancement activities are eligible for funding. For example, costs for environmental mitigation required for the enhancement project itself are reimbursable.

Transportation enhancement activities may not in themselves be routine or customary elements of transportation projects or mitigation for project impacts in compliance with the requirements of environmental, or other Federal, State, or local laws, even if those aspects will otherwise constitute a specified transportation enhancement.

Project funding under the transportation enhancement program is not available for a non-applicant agency to perform its normal required review and permit functions.

Convict labor is not a reimbursable cost.

Costs involved in applying for funds are not eligible. Any costs incurred prior to ~~written approval to proceed by receiving a~~ "Authorization to Proceed" from Caltrans are not eligible. (See page B-17.)

### **Local Funding Share (Match)** (page B-12)

Transportation Enhancement Activities are reimbursable projects. Applicants are expected to finance the project as it proceeds. Up to 88 percent of the actual eligible expenditures – up to the ceiling of the Federal funding share – will be reimbursed with each invoice. The amount programmed into the State Transportation Improvement Program (STIP), based on the original estimate of the project costs, will determine the Federal funding ceiling. Local funding share must be used in each phase.

Where the applicant chooses to use Federal funds, a match of approximately 12 match dollars to each 88 Federal dollars for a total of 100 dollars is required in each enhancement project phase. Administering agencies may "overmatch" enhancement projects; that is, additional match dollars may be used in the transportation enhancement activity beyond the match requirement. Because of Federal policies and the possibility of cost overruns, administering agencies are encouraged to use the full extent of Federal funds in the project. Agencies are discouraged from including more than 49 percent non-Federal dollars in the total enhancement project cost. The Federal Highway Administration authorizes expenditures on a project phase by phase (preliminary engineering, right of way, construction).

~~The exception to the 12 percent match is for bicycle and pedestrian facilities. "For purposes of this title, construction of a pedestrian walkway and a bicycle transportation facility shall be deemed to be a highway project and the Federal share payable on account of such construction shall be 80 percent."~~ (Section 217(f) of Title 23). A 20 percent match will be required on bicycle and pedestrian facilities; that is, 20 match dollars to each 80 Federal dollars for a total of 100 dollars is required in each enhancement project phase.

Match may be provided from Caltrans State Highway Account funds for projects directly related to the State Highway System. Each Caltrans District Director has responsibility for recommending use of these funds to the Commission. Project applicants are encouraged to have an alternate funding source when requesting State Highway Account funds, as there is no guarantee they will be approved by the Commission. (See Application, part Five.) State Highway Account match may only be requested during the application process; it may not be requested after a project is programmed.

Under the Federal Highway Administration's new innovative financing test and evaluation project, a nationwide project has been established to allow greater flexibility for matching funds; for example,

match may now be other Federal dollars or private cash. Administering agencies may contact their Caltrans District Local Assistance Engineer for details.

Section 323 of Title 23 allows certain right of way donations to count towards the local funding share of a project. Donations must be from private ownership to public ownership for project purposes. Acquired right of way is not eligible as the match. Land that has been acquired previously and is already intended or available for use by the public does not qualify for donation credit.

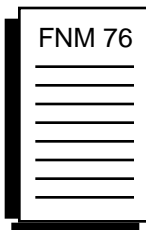
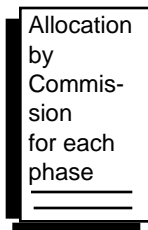
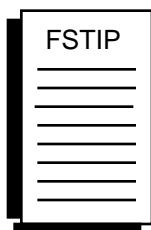
“Soft match” refers to instances where the value of activities accomplished away from the project are credited toward the non-Federal share (match) of the project. An example of this is the toll credit provisions of Section 1044 of the ISTEA. Soft match generally is not eligible under current Federal rules.

Occasionally, an administering agency’s partner seeks to provide labor or materials to design or construct a given project. Or sometimes an administering agency wants to use its own forces to do part or all of the work. In both of these cases, a competitive bidding process is precluded. When this is desired, the administering agency must ~~give justification for~~ *justify* not utilizing contracting by competitive bid; a comparison must be made between a) doing work by the agency’s own forces [or sole-sourcing the work to the partner] and b) by contracting out. When justifying the use of the partner as a sole source, the administering agency also must show that these are the only people who can do the work, and that services are available only from this single source. ~~Caltrans will make a “Finding of Public Interest” on the justification. In addition, some agencies’ regulations may limit work by methods other than contracting out. Public Works Director, or head of the administering agency, must approve the justification.~~

## **When Eligible Costs Can Be Incurred/ Authorization to Proceed** (page B-16)

An administering agency may proceed to incur reimbursable costs for a given phase (preliminary engineering, right of way [acquisition], construction) only after it receives ~~written notification to start a~~ “Authorization to Proceed” from the Caltrans District Local Assistance Engineer. This occurs after: 1) Federal approval of the project in the FSTIP (Federal State Transportation Improvement Program), and 2) ~~execution of the Federal form FNM76 Submittal of the “Request for Authorization” by the administering agency to the DLAE~~. Even though the project may proceed to incur costs, it may not be reimbursed until the agreements between Caltrans, and the administering agency and FHWA are executed and the Commission has voted funds into the blanket allocation for all enhancement projects' preliminary engineering.

Eligible costs can be incurred after the project is included in these documents:



Each phase of work requires approval to proceed by execution of a Federal form, the FNM-76 a “Authorization to Proceed”. The ratio of Federal funds to non-Federal match remains the same in each phase of the project.

FNM-76 “Authorization to Proceed”

	Federal \$	Match \$
1st Authorization: Preliminary Engineering	\$	\$
2nd Authorization: Right of Way (Acquisition)	\$	\$
3rd Authorization: Construction	\$	\$

If the project begins with a preliminary engineering phase, the 'blanket' FNM-76 “Authorization to Proceed” covering the preliminary engineering phase for all transportation enhancement activities is put in place as of July 1 of each year. Therefore, reimbursable work usually can proceed as soon as the FSTIP is approved. *When the Administering Agency is ready to begin the preliminary engineering phase they should contact their (The Caltrans District Local Assistance Engineer informs the Project Administrator in writing) to find out if the blanket has been approved and should contact their MPO/RTPA to see if their project in a approve FSTIP.* The Project Administrator can begin incurring reimbursable expenses for the preliminary engineering phase only once the *blanket “Authorization to Proceed”* FNM-76 and FSTIP are in place. Reimbursement requires execution of the agreements between Caltrans and the Administering Agency. (See page D-3.)

Once the project is ready to incur capital outlay costs (acquisition phase and construction phase), a second vote by the Commission is required prior to the “Authorization to Proceed”, ~~the FNM-76.~~

**Application Submittal**(page B-17)

No costs incurred before Caltrans' written approval “Authorization to Proceed” date can be reimbursed. Therefore, application preparation costs are not eligible for reimbursement.

**Preliminary Engineering - What is included/ What is excluded**(page B-17)

The preliminary engineering phase includes preparation of environmental documentation and preparation of construction documents. Preliminary right of way work to provide data for environmental documentation may also be reimbursed from preliminary engineering phase moneys.

No costs beyond project-related costs are eligible. To be eligible for reimbursement, all project support costs, such as preliminary engineering, must be included in the project cost approved in the State Transportation Improvement Program (STIP) . Costs can be shifted between phases. Mitigation costs, which arise in the course of the project, are covered up to the limit of the project cost approved in the STIP.

The administering agency may use its own workforce to do preliminary engineering work. It may also retain consultants after satisfying Caltrans' requirements for selecting consultants.—Agreements

~~between administering agencies and consultants must be approved by Caltrans. (See Implementation Section D.)~~

Some applicants prefer to pay for preliminary engineering themselves. They prefer to hire their own local design consultants, thereby avoiding the cost and time required to meet Federal requirements for contracting services (three to six months for the Request for Proposal, interviews and selection process). Following this path makes preliminary engineering non-reimbursable.

Proposed projects must obtain Federal environmental clearance under the National Environmental Policy Act (NEPA) and other Federal regulations. This process can be more costly and take longer than State clearance under the California Environmental Quality Act (CEQA). If the proposed project includes a railroad, historic properties, archaeological sites, parkland, endangered species, wetlands, or if public controversy is involved, additional time could be involved in the process. Projects utilizing State funds for match must comply with requirements of both NEPA and CEQA.

One of the Federal environmental regulations is Section 4(f) of the Department of Transportation Act of 1966. It requires preservation of publicly-owned parks, recreation areas, wildlife and waterfowl refuges, and historic sites of national, State, or local significance (see Implementation Section, page D-8). Projects affecting these types of resources are subject to Section 4(f).

All projects are subject to Section 106 of the National Historic Preservation Act of 1966, even though not all will have cultural resources. For example, a pedestrian facilities project under construction could find historic or cultural artifacts during the process of grading.

~~Agencies are encouraged to obtain the Local Streets and Roads booklets, Process Guide: Procedures for Developing Federal Aid Highway Projects on Local Streets and Roads, Environmental Analysis: Procedures for Developing Local Federal Aid Highway Projects from the Publications Unit of Caltrans.~~

When development is part of the project, starting the preliminary engineering phase obligates the agency to begin construction within ten years of Federal approval. Regardless of the source of funds used to construct, Federal funds used for preliminary engineering must be returned if construction does not start.

### **Right of Way (Acquisition) - What is included/What is excluded**(page B-18)

Generally, the right of way phase is included when: utilities will be relocated; a purchase, easement, or lease is involved; an operating railroad facility will be crossed or modified; an occupant or business will be relocated; or an access issue is involved (see Appendix for Right of Way Checklist).

Environmental analysis and public hearing requirements must be completed before starting most right of way activities. Acquisition projects often require special environmental studies, even when no development will occur on the site. For example, these might include archaeological resources or endangered species database searches. Federal authorization to begin work, "*Authorization to Proceed*", must be obtained in advance when Federal funds are to be used for reimbursement of right of way costs.

All right of way activities must be performed in accordance with the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act as amended, and in conformance with Caltrans Right of Way procedures for local Federal-aid projects *even if the administering agency uses their own funds to obtain the right of way*. Funds may be used for costs such as appraisals, surveys, legal matters, purchase, relocation assistance, or utilities relocation.

An offer to acquire property must be written and may be made only after appraisals are approved and funding is authorized by a vote of the Commission. Commencement of negotiations with property owners prior to Federal approval, “*Authorization to Proceed*”, may jeopardize reimbursement eligibility.

~~Agreements between local agencies and right of way consultants, private negotiators, and private relocation assistance service personnel must be approved by Caltrans. Federal funds may be used only for costs incurred after Caltrans approves the consultant agreements and the authorization to proceed (FNM 76).~~

Obtaining an option to purchase property is not considered to be an offer to purchase. Therefore, the requirement that no offer be made until after receiving environmental clearance and project approval will not be violated by obtaining an option.

Obtaining an appraisal, at an early stage, for the purpose of estimating the capital cost of a project will not bar FHWA participation in project costs. Such an appraisal generally serves the same functions as the project estimates Caltrans prepares, providing cost projections used in planning, applying for funding, etc.

- However, FHWA will not participate in the cost of an appraisal prepared prior to Environmental Clearance, Project Approval and Federal Authorization.
- Any appraisal used as the basis for an offer must be current. This means that if the original appraisal used for estimating purposes is so old as to be suspect as to its timeliness, it must be reviewed to determine if it is still current and if not, a new or revised appraisal must be obtained.

Private, not-for-profit organizations are not barred from receiving reimbursement of transportation enhancement activities funds for the purpose of acquiring real property rights. In addition, private not-for-profit organizations may take title to real property purchased with transportation enhancement activities funds, providing binding language in an appropriate document: a) requires continued use of the property as was proposed in the approved application; and b) provides for appropriate reversion of the property or repayment of public funds in the event that such use ceases.

Property purchased with transportation enhancement activities funds may be vested in an agency of the Federal government to accomplish the purpose of the project, and this will not bar FHWA participation.

Situations where real property rights are purchased by a private not-for-profit agency first and then re-sold to a public agency with transportation enhancement activities reimbursement do not automatically disqualify the transactions from FHWA participation. There should be some assurance in these cases that the serial transaction format was not undertaken in collusion between the two agencies

to circumvent the requirements of the Uniform Act. Short of evidence of collusion or circumvention these transactions will not be barred from FHWA participation.

In the event that a) the private, not-for-profit agency purchased the property rights prior to the award of enhancement funds, b) seems to be making a financial gain on the property or c) has been using the property for some period of time for the same use as is proposed in the transportation enhancement activities application, the facts should be reviewed as early as possible with the Caltrans District Local Assistance Engineer and Right of Way Agent.

Situations where there is a coordinated plan for more than one agency to acquire substantially all of the properties contained in an area should be reviewed as early as possible with the Caltrans District Local Assistance Engineer and Right of Way Agent.

If the proposed project is for a scenic viewshed or other type of land preservation purpose, the issue of possible dollar savings should be investigated. Sometimes the proposed project can be satisfactorily carried out if a scenic easement is acquired rather than full fee title. The amount of cost savings should be justified. For example, the continuation of livestock grazing land use may be compatible with the preservation of a scenic viewshed. Thus acquiring development rights from the property owner in the form of restrictive easement deed clauses, while allowing the owner to retain ownership rights with permitted continuation of the existing limited agricultural usage is a proper application of the scenic easement concept.

When development will occur in the project, starting the right of way phase obligates the agency to begin construction within ten years of the Federal approval date.

### **Construction - What is included/What is excluded**

The construction phase includes advertising the project, awarding the contract and performing construction.

Before advertising a project for bidding, funding must be allocated by a vote of the Commission; ~~the FNM 76 must be executed~~ *Submittal of the "Request for Authorization" by the administering agency and receipt "Authorization to Proceed" from the DLAE*, the right of way must be certified, utility clearance and railroad clearance must be obtained (if required); ~~and Caltrans must approve the plans, specifications and estimate, and authorize advertising.~~

The local agency must inspect project work to ensure compliance with the contract, and must provide a Resident Engineer who is a full-time public employee. A consultant on retainer as City or County Engineer is considered to be a full-time public employee.

Convict labor shall not be used on any Federal-aid project.

Involving other organizations in the construction does not absolve administering agencies from complying with Federal regulations such as for sole source contracts, prevailing wage, or disadvantaged business enterprise.

For construction, the contractor is to be chosen through a competitive bidding process. Otherwise, the administering agency must justify using its own workforce or doing the work by "sole source". Caltrans makes a "Finding of Public Interest" on the justification.

Agencies are encouraged to obtain the Local Streets and Roads booklet, Process Guide: Procedures for Developing Federal Aid Highway Projects on Local Streets and Roads from the Publications Unit of Caltrans or on the Internet. The California Conservation Corps (CCC) and local corps certified by the CCC, and Urban Youth Core have expressed an interest in being involved in the implementation of transportation enhancement activities projects.

## **Section D**

# **PROJECT ADMINISTRATION/ IMPLEMENTATION**

**Note: This Section has been comply revised to conform to Caltrans Office of Local Programs Reengineering procedures. Please discard your old Section D and replace it with this new Section D.**

Administration of the transportation enhancement activity project occurs after it is approved for inclusion in the Federal State Transportation Improvement Program (FSTIP). Inclusion into the FSTIP occurs after the Commission votes the project into the State Transportation Improvement Program (STIP). The following procedures reflect both Federal and State requirements for subsequent implementation of a project.

### **(Administering Agencies)**

#### **Agencies with Master Agreements**

Agencies with the November 29, 1995 Local Agency-State Agreement (new Master Agreement) and determined to be capable by the Caltrans District Local Assistance Engineer (DLAE) may administer projects.

Agencies that have not secured the new Master Agreement are encouraged to work diligently with their DLAE to secure a new Master Agreement. Or, Caltrans suggests that agencies having minimal staff and background in Federal-aid projects and therefore unable to administer Federal-aid projects should work closely with a city, county or Regional Transportation Planning Agency to partner with an agency that has adequate staff and a master agreement in place.

Agencies with Master Agreements may do the preliminary engineering work themselves, or contract it out.

#### **State Agencies**

State agencies may administer transportation enhancement activities projects under a Master Agreement and a supplemental agreement with Caltrans. These agreements will ensure compliance with Federal requirements. The agency must have statutory authority to charge on a reimbursable basis. State agencies are included as "local agencies" in this Implementation Section of the Guidelines.

**Federal Agencies**

Federal agencies may administer transportation enhancement activities projects under a master agreement and supplemental agreement with Caltrans. The agency must have statutory authority to charge on a reimbursable basis. This agreement will ensure compliance with Federal requirements.

**Caltrans**

Caltrans districts may administer transportation enhancement activities, using the same procedures as other projects using reimbursable Federal-aid funds.

As a last resort, Caltrans may be available to administer projects for agencies having no Master Agreement as ‘reimbursed work for others’. Administering agencies must enter into a cooperative agreement with Caltrans and must pay 100 percent of Caltrans overhead charges, which are not eligible for Federal reimbursement. Caltrans encourages agencies to seek project administration through other means.

Even though Caltrans may administer a project, it does not mean that Caltrans will take responsibility for maintaining it when the project is completed.

Match from the partner will be an up-front cost (advance deposit) for each phase, when Caltrans administers the project. Agencies should work closely with their Caltrans’ district to negotiate agreements.

## **Implementation – A Phased Process**

Implementation of a transportation enhancement project is a phased process, where authorization must be received before reimbursable work can begin in each phase. Enhancement projects have up to three phases: 1) preliminary engineering, 2) right of way, and 3) construction. Not all projects go through all three phases; some are only one- or two-phase projects. Refer to Chapter 1 of the *Local Assistance Procedures Manual* for flow charts that show the process.

The administering agency will have one primary contact at Caltrans, the DLAE at the district where the project resides.

Briefly, the administering agency works with the DLAE to fulfill the following responsibilities:

- Discuss field review
- Submitting “Request for Authorization” and receiving “Authorization to Proceed”
- Request agreements with Caltrans
- Comply with all applicable Federal and State laws, rules and regulations, including environmental requirements in executing the project
- Request allocation vote (second vote) from Commission (for right of way or construction phases)
- Submit final invoice and final project report.

## **Use of Metric System**

Transportation enhancement activities shall comply with the Federal mandate to utilize the metric system for all federally financed projects that will begin construction after October 1, 2000. All projects that utilize Federal funds are under the same Federal mandate and will be subject to loss of Federal funding eligibility for noncompliance.

## **Master Agreement**

Before funds can be reimbursed, a new master agreement and program supplemental agreement must be executed by Caltrans and the administering agency.

In the new master agreement (Local Agency - State Agreement), the administering agency agrees to conform to all State and Federal laws, regulations, policies, procedures, and instructional memoranda. Administering agency agrees to provide or arrange for adequate supervision and inspection of each improvement.

The agreements describes fiscal provisions, including non-Federal match and administering agency responsibility for charges not financed with Federal funds. The administering agency agrees to give access and assistance to State and Federal auditors.

The administering agency agrees to ensure work performed under the new master agreement conforms to Federal and State employment practices. In the event of consultant contracted work, the Administering Agency will certify that they conformed to the Federal-aid consultant selection process. Consultants must agree to give access and assistance to State and Federal auditors. In the event of right of way action, rigorous Federal and State rules apply. Record retention periods are described in the agreement.

The administering agency agrees to provide long-term maintenance to maintain and protect the completed Federal-aid project in a manner satisfactory to the State and Federal government.

The new master agreement describes clauses that must be inserted into any and all deeds, licenses, leases, permits, contracts, and contract specifications.

The new master agreement is a “blanket agreement” under which program supplemental agreements are executed specifically for each project.

The new Master agreement and program supplemental agreements are to ensure that administering agencies and projects are in compliance with Federal requirements. The master agreement includes the mechanisms whereby the administering agency refunds Federal moneys to the State, should the agency not be in compliance with these Federal regulations and maintenance provisions.

## **Field Review**

To start project implementation, the Project Administrator from the administering agency holds a field review or just completes the field review form. The administering agency may invite key funding partners to the field review. The Project Administrator invites the DLAE, Regional Transportation Planning Agency, Caltrans District Landscape Architect, Environmental Planner, Right of Way Agent, Art Coordinator, Office of Local Programs Area Engineer, FHWA representative, and others as

appropriate. Caltrans attendance will be optional due to cut backs in local assistance staff. Caltrans staff will try to attend the field review on those projects where major issues need to be addressed. Therefore, it is important to give Caltrans staff as much advance notice on those projects you wish Caltrans to attend.

The field review is intended to provide the administering agency the opportunity to explain the project scope and to determine the Federal and State requirements that must be satisfied. At the discretion of the administering agency, potentially involved Federal, State, and local representatives and permitting agencies are invited to explain their requirements and time frames.

The Regional Transportation Planning Agencies may attend the field review to approve and project scope and cost changes (see discussion of Under-Expenditures and Over-Expenditures, in this section).

If Caltrans staff can attend the field review, the administering agency should submit a filled out copy of the field review form to the DLAE and other Caltrans personnel that will be attending prior to the meeting.

The basic project description, funding, administration and environmental portions of the field review form should be filled out for submittal. For other than roadway-related projects, much of the remaining data requested on the form may not apply.

For some projects, the field review may be an office meeting or even handled by phone conversation to discuss how to fill out the form. The procedure used should be agreed upon between the Project Administrator and the DLAE. In most cases the field review serves a very important function, especially to inform the Project Administrator of the process to comply with the Federal requirements, to ensure maximum Federal funding eligibility.

Generally, field reviews are scheduled for projects after they are in a Federal-approved Federal State Transportation Improvement Program (FSTIP). Since the date of Federal eligibility is established by the FSTIP approval and the “Authorization to Proceed”, all costs, including the field review, will then be eligible for reimbursement.

Field reviews may be held prior to the project being on an approved FSTIP to expedite the process. In this case the field review will not be a reimbursable cost.

Even if the field review is itself an eligible cost, reimbursement can only occur after execution of the new master agreement and supplemental agreement. The supplemental agreement is usually executed after the field review.

The administering agency should take a copy of the transportation enhancement activities application and a filled out field review form to the field review and be prepared to discuss the following:

- Project scope and cost
- System identified (on or off the State Highway system)
- Proposed funding, strategy for meeting requirements for each funding program
- Environmental studies and management plans previously conducted
- Environmental document and studies required

- Right of way and utility requirements
- Permit requirements
- Project timelines
- Maintenance responsibilities.

### **Allocation of Funds for Capital Outlay – The Second Vote**

Projects voted into the State Transportation Improvement Program (STIP) proceed through the preliminary engineering phase before returning to the Commission for their “second vote”. Once a project has environmental approval, but prior to acquisition or construction contract advertisement, a Commission “second vote” for funding is scheduled. Generally, the vote is scheduled 60 days in advance of the Commission meeting. Allocation requests are for the capital phases of the project (right of way and/or construction), which will be initiated within six months. The Project Administrator will coordinate this process with the DLAE.

The Commission releases funds through the State budget system, but expenditure of funds is still subject to obtaining Federal “Authorization to Proceed” and execution of the master and supplemental agreements. In addition, State transportation funding shortfalls may require projects to be put on “hold” when they are ready for their second vote.

### **Consultant Selection for All Phases**

To ensure eligibility for reimbursement, consultant selection should occur after receiving the “Authorization to Proceed” for the preliminary engineering phase. Consultant selection must conform to Federal requirements, including participation by disadvantaged business enterprises (DBEs). Administering Agency is required to certify that they complied with those requirements.

Consultant contracts for design-related services must result from negotiations which utilize qualifications-based selection procedures. Qualifications-based procedures do not allow for price to be used as a factor in the selection process. See Chapter 14 “Consultant Selection in *the Local Assistance Procedures Manual*.”

### **Preliminary Engineering Phase**

Eligible costs for preliminary engineering usually may be incurred beginning on the date the Federal Highway Administration and Federal Transit Administration approve the Federal State Transportation Improvement Program (FSTIP) or FSTIP amendments that include the project, and issuance of the blanket “Authorization to Proceed”. The administering agency should contact their RTPA for the FSTIP date and their District Local Assistance Engineer to see if the blanket “Authorization to Proceed” has been approved.

### **Environmental Documentation**

Transportation enhancement projects must meet the requirements of the California Environmental Quality Act (CEQA), the National Environmental Policy Act (NEPA) and all other relevant Federal environmental requirements. (See Chapter 5 “Overview Of Environmental Process” in *the Local Assistance Procedures Manual*.)

All environmental investigations, reviews, and consultations will be administering agency responsibility, and compliance with all applicable environmental requirements will be reflected in the environmental document and the conditions of the environmental document approval.

The DLAE will review the environmental document for completeness before sending it on to FHWA for approval.

The administering agency is the lead agency responsible for complying with the provisions of the CEQA. Where a State Highway is involved, Caltrans reviews the CEQA document.

FHWA reviews and approves for compliance with NEPA and the other Federal environmental requirements for all Federal-aid projects. The other requirements include:

- Section 4(f) of the Department of Transportation Act of 1966 applies when a proposed project will result in the use of land in a publicly owned park, recreation area, or wildlife and waterfowl refuge, or any significant historic site. Such a use may not occur unless there is adequate documentation that there is no prudent and feasible alternative to the use of the land in the property, and the action includes all possible planning to minimize harm to the property resulting from such use. Each enhancement project must be evaluated to determine if Section 4(f) applies. Specific documentation and procedural requirements involving FHWA and other Federal agencies must be followed.
- Section 7 of the Endangered Species Act of 1973 requires Federal agencies to consult with the U. S. Fish and Wildlife Service (National Marine Fisheries Service, if applicable) if a federally-funded project may affect a listed endangered species or critical habitat of an endangered species. The administering agency will be responsible for assessing the potential for impact.
- Section 106 of the National Historic Act of 1966 provides authority for the protection of historic and cultural properties. Section 106 requires Federal agencies to take into account the effects of any federally-funded project on National Register listed or eligible properties and consult with the State Historic Preservation Officer and the Advisory Council on Historic Preservation as appropriate pursuant to Title 36 Code of Federal Regulations 800. The administering agency will be responsible for preparing any documentation necessary to fulfill these requirements. The “106” process can be completed in two months to two years or more, depending on the type of project, impact on the historic property and mitigation measures required to protect the historic property.
- Executive Order 11990, May 24, 1977, “Protection of Wetlands” requires Federal agencies to make a wetlands finding which determines whether or not there is a practicable alternative to construction located in wetlands, whether all practicable measures to minimize harm to the wetlands have been included in the Federal action, taking into account all economic, environmental, and other pertinent factors that have a bearing on practicability. The administering agency is required to delineate wetlands, identify impacts and evaluate avoidance alternatives in the environmental phase of project development. The administering agency is required to obtain a 404 permit prior to advertisement for construction. This law and the Section 404 permit program of the Clean Water Act of 1977 play an important part in the preliminary engineering phase. Timing of the field review should be arranged usually in late winter, spring, or early summer to identify wetlands plant species.

- Other Federal environmental laws. The administering agency will be required to prepare any other studies necessary to comply with any other Federal statutes or executive orders commensurate with the anticipated impacts of the project.
- Executive Order 11991, Floodplain Management, May 24, 1977 applies to projects in the floodplain. It requires that FHWA make a “Only Practicable Alternative Finding” if a federally funded project will encroach upon the base (100-year) floodplain. The administering agency is responsible for any studies necessary to support such finding, if necessary.

Required mitigation and permits will be incorporated into the final construction documents (plans, specifications and estimate).

### **Construction Documents – Design Standards & Reviews**

Instructions for preparing project plans, specifications and estimates are contained in Chapter 11 “Design Standards” and 12 “PS&E” of the *Local Assistance Procedures Manual*.

As a minimum, transportation enhancement activities will use American Association of State Highway and Transportation Officials (AASHTO) standards or Local Agency’s Standards on local roads, Caltrans standards for bikeways or when an encroachment permit is required on a Caltrans facility, and the California Uniform Building Code whenever it is applicable.

Exceptions to design standards must be approved by the Local Agency’s Director of Public Works prior to the project proceeding to construction. While safety is of paramount concern, design solutions are encouraged that respect the integrity and value of historic preservation, communities, rivers, streams, lakes and coastal areas, wetlands and other environmental, scenic and aesthetic resources.

The administering agency will certify compliance with the above requirement and the environmental document.

Whenever applicable, the Americans with Disabilities Act must be met.

### **Right of Way (Acquisition) Phase**

Local agencies must comply with Federal acquisition regulations if transportation enhancement activities funds are used for either acquisition or construction. Violation of right of way provisions could jeopardize Federal funds for acquisition and construction.

The Commission votes to allocate funds for capital outlay before the Right of Way phase is eligible for reimbursement and can proceed. CEQA and NEPA approvals are required prior to the right of way phase allocation vote.

Whenever Federal funds will ultimately be used for the project, the acquisition of real property for the project is subject to the provisions of the Uniform Act, no matter if carried out by private parties or by Federal, State or local agencies.

When the acquisition of the real property qualifies for the voluntary sale provisions of the Act, no relocation assistance payments are to be provided to the grantor(s) being displaced from the property because of the project.

Tenants being displaced because of the project are entitled to all relocation assistance benefits under the Act. Grantor(s) being displaced from the property due to the project are entitled to all relocation assistance benefits under the Act, when the acquisition does not meet the requirements for a voluntary sale.

When a transportation enhancement project involves acquisition of land and the administering agency desires to have transportation enhancement activities funds deposited into an escrow account, step-by-step procedures for this exception to the usual process are as follows:

- “Authorization to Proceed” is received for Right of Way phase
- Program Supplemental Agreement includes clauses so warrants can be payable to an escrow agent and so that different funding sources are clearly identified with their pro-rata share of costs
- Caltrans executes PR-2 with FHWA, required before invoices can be paid. Finance letter required from the administering agency to begin the process.
- Escrow opens
- Administering agency prepares invoice
- Administering agency signs agreement declaring restrictive covenant, for example, on a scenic viewshed
- Administering agency submits invoice, grant deed (not recorded) and agreement declaring restrictive covenant (not recorded) to Caltrans District Local Assistance
- Caltrans District Right of Way approves invoice and drafts further instructions to escrow
- Caltrans pays escrow (a memo explaining the expedite to the State Controller's Office may be required. Expedite requests cost \$18.50 for a five day turn-around and \$50.00 for a three day turn-around, costs to be paid by administering agency.)
- Escrow closes
- Escrow records grant deed and agreement declaring restrictive covenant and sends recorded documents to DLAE
- Copies are distributed
- Final detailed estimate is made
- Final audit is performed.

## **Construction Phase**

The construction phase steps generally include project advertising, bid opening, award, daily reporting, labor compliance, contract change orders and project completion. In order to ensure Federal fund eligibility, projects shall not be advertised for construction until receipt of “Authorization to Proceed”, see Chapter 15 “Advertise/Award Project” in the *Local Assistance Procedures Manual*.

The CTC’s 2nd vote for allocation of construction capital funds and the administering agency receipt of “Authorization to Proceed” are required before the construction phase is eligible for reimbursement. CEQA and NEPA approvals are required prior to the construction phase CTC allocation vote.

To initiate the construction phase, the administering agency provides the following information to Caltrans District Local Assistance:

- Request for allocation vote to Caltrans District Local Assistance
- Verification that project is in the Federal-approved State Transportation Improvement Program (FSTIP), available from the RTPA
- Right of Way Certification
- PS&E certification and complete PS&E.
- Copy of the approved environmental document (if not sent earlier)
- Completed “Request for Authorization”

Note: all of the above are part of Local Agency PS&E Certification, see Chapter 12, “PS&E” in the *Local Assistance Procedures Manual*.

After awarding the construction contract, the administering agency requests DLAE begin processing the PR-2. As part of this request, the agency also provides the following information:

- Disadvantaged Business Enterprise/Woman-Owned Business Enterprise (DBE/WBE) information
- Good Faith Effort statement of DBE/WBE participation if DBE/WBE goals are not met
- List of all bidders in order of ranking from lowest to highest bid and the total of each bid
- Tabulated list showing the engineer’s cost estimate and at least the three lowest bidders plus the successful low bidder in an item-by-item breakdown
- Engineer’s estimate and the percentage the successful bid is over or under this estimate
- Responsible low bidder’s proposal
- Finance letter
- Detailed estimate

Note: all of the above are part of Local Agency Contract Award Checklist, see Chapter 16, “Administer Contract” in the *Local Assistance Procedures Manual*.

For project completion, before the Caltrans District Local Assistance does a project completion review. The administering agency provides a Report of Expenditures to Local Assistance within six months of project completion. This report includes:

- Final invoice
- Final detail estimate
- Change order summary
- Liquidated damages/contractor’s claims
- Date of project completion
- DBE/WBE final report
- Project certification.

### **Project Completion Timeline**

Caltrans expects Project Administrators to start their projects by holding the field review, executing the agreements and beginning preliminary engineering during the fiscal year they are programmed in the STIP, either 1997/98 or 1998/99. Projects should be ready for the second vote within four years and completed within five years from July 1 of their programmed year. An accelerated

schedule of implementation will be required if the Federal act reauthorizing ISTEA of 1991 does not include the enhancement program; in that case all projects must receive their allocation of funds for capital outlay before September 30, 2000.

### **Under-Expenditures and Over-Expenditures**

The Federal cost programmed into the State Transportation Improvement Program (STIP) is a fixed amount. In general, cost increases must be covered with local funds.

Project cost changes can be expected due to environmental or design decisions, from contractor's bidding, or during construction. The administering agency should plan to work with its DLAE staff to identify accurate and reasonable costs before the project application is submitted.

If the cost of the project exceeds the amount identified in the STIP, the local agency has at least one of the following options:

- Fund the additional cost with available local resources;
- Change the scope of the project to fit within the funding programmed (subject to the Federal Highway Administration, Regional Transportation Planning Agency, Commission and Caltrans approval);
- Fund the additional cost in one project phase with identified savings from another project phase;
- Re-advertise the project for new contractor bids;
- Request additional funding from the Commission, even though Commission policy does not allow additional funding; or
- Drop the project as no longer cost effective and repay FHWA for any reimbursements received for preliminary engineering and right of way.

Caltrans must approve a change in project scope or shift of funding between project phases. The Regional Transportation Planning Agency and the Commission must approve any additional State funding or substantive change in project scope.

The Commission encourages cost savings on projects, to conserve funding so that more future projects can be funded in the program. The Commission will retain cost savings on any project within the same program for future programming.

### **Audits and Records Retention**

Caltrans performs financial and compliance audits on agencies receiving Federal funds. Audits are mandatory for any project involving over \$100,000 in Federal funds. Audits can establish that dollars must be paid back by the administering agency.

Audits are also performed on nonprofit institutions receiving Federal funds from an administering agency to carry out a project.

The final audit for most projects is satisfied by the Single Audit Process. If an administering agency is not subject to single audit, the State Controller's Office may be requested to perform the audit. Project records must be kept for three years after the final audit. Agencies receiving Federal-aid funds will be audited for compliance with the following:

- Title 23 and Title 49 Requirements
- Political Activity (Hatch Act and Intergovernmental Personnel Act of 1970, as amended) These acts specify that Federal funds cannot be used for political activity of any kind.
- Construction contracts (Davis-Bacon Act): For construction phase, laborers and mechanics employed by contractors on Federal-aid highway projects must be paid at wages not less than those established by the Secretary of Labor as the prevailing regional wage rate. Davis-Bacon Act does not apply to TEA projects that are not linked to Federal-aid highways.
- Civil Rights: No person shall be excluded from participation in, or be subjected to discrimination in, any program funded in whole or part by Federal funds because of race, color, national origin, sex, age, or physical impairment. (Includes Disadvantaged Business Enterprise (DBE) requirements.)
- Cash Management (Cash Management Act of 1989): Many recipients receive funds through a letter of credit arrangement with Caltrans. Cash should be withdrawn only in amounts necessary to meet immediate needs or to cover program disbursements already made.
- Relocation assistance and real property acquisition: When property is acquired by a public agency and subsequently displaces households and businesses, the agency must carry out certain actions in compliance with the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended.

The audit can determine whether: the financial statements present fairly its financial position and the results of its financial operations in accordance with generally accepted accounting principles; the organization has internal accounting and other control systems; and the organization has complied with laws and regulations that may affect its financial statements and the enhancement project.

## **Invoicing**

For reimbursement, the administering agency may submit monthly progress (not final) payment invoices for work completed on its letterhead to Caltrans Headquarters Local Programs Accounting. As an option, the agency may wait and request full payment with a Final Invoice upon notification of project completion to DLAE.

The administering agency is required to submit separate billings or invoices for work completed and separate final reports of completion for each funding source. For example, a transportation enhancement project that uses Environmental Enhancement and Mitigation funds as a match will be invoiced so that the two funds and their respective reimbursement items are accounted for separately. The administering agency may not bill for donated labor or materials.

**Federal Transit Administration (FTA) Transfers**

Administering agencies which are transit agencies may request transfer of their transit-related enhancement project from Federal Highway Administration (FHWA) to Federal Transit Administration (FTA). This decision rests with these two agencies. Every project is reviewed by the Federal Highway Administration and the Federal Transit Administration prior to the start of the project. Requests may be made during the field review or before. Transfer is limited to agencies (mostly transit) prequalified by FTA.

**Maintenance and Monitoring**

Administering agencies are generally responsible for maintaining projects into the future. The agency pays for the maintenance effort unless subsequent agreement specifies otherwise. Maintenance costs are not eligible for enhancement funding. The effort is monitored by the Caltrans Headquarters' Transportation Enhancement Activities Branch with input from Caltrans District Local Assistance.

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